



# Tweed Heads Market Update

## 2<sup>nd</sup> Half 2022



### OVERVIEW

In Q2 2022, Tweed Heads\* recorded a median house price of \$1,100,000, and a median unit price of \$678,000. This represents annual (Q2 2021 – Q2 2022) median price growth of 20.2% for houses and 18.9% for units. Total sales decreased between Q2 2021 – Q2 2022, by -38.9% (to 276 sales) for houses and by -33.7% for units (to 218 sales). Current owner occupiers and down-sizers can benefit from real returns on capital investment, as median price growth has been fuelled by an imbalance in high demand and low stock levels. The market is still heavily undersupplied, in need for ready-to-sell stock.

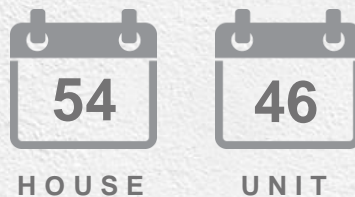
	CHANGE FROM LAST	YEAR	HALF YEAR
			
House Sales		↓	↓
House Median Price		↑	↑
House Rental Price		↑	↑
			
Unit Sales		↓	↓
Unit Median Price		↑	↓
Unit Rental Price		↑	↑

### MARKET CONDITIONS

#### SALES MEDIAN PRICE Q2 2022



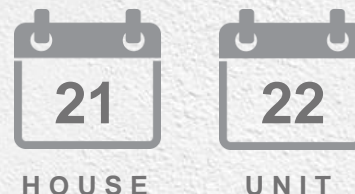
#### SALES AVERAGE DAYS ON MARKET Q2 2022



#### RENTAL MEDIAN PRICE Q2 2022

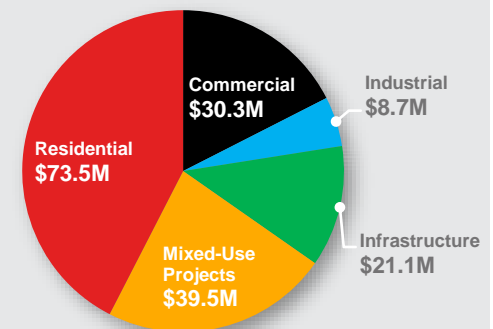


#### RENTAL AVERAGE DAYS ON MARKET Q2 2022



### FUTURE DEVELOPMENTS

Tweed Shire Local Government Area is set to see approximately **\$173.1M** worth of new projects commencing in the 2<sup>nd</sup> half of 2022.

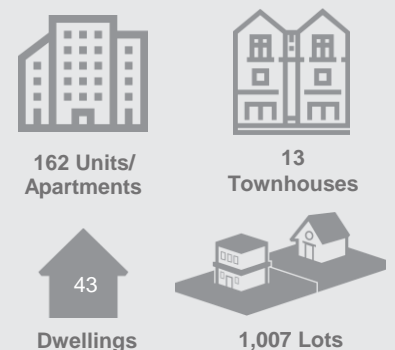


These projects will stimulate economic growth and add employment opportunities in Tweed Heads. This will have an impact on the real estate market, in the form of higher demand.

A main mixed use project in the 2<sup>nd</sup> half of 2022 is Wharf Street Mixed Use Development (\$37.8M). This will add 122 units and commercial tenancies to Tweed Heads\*.

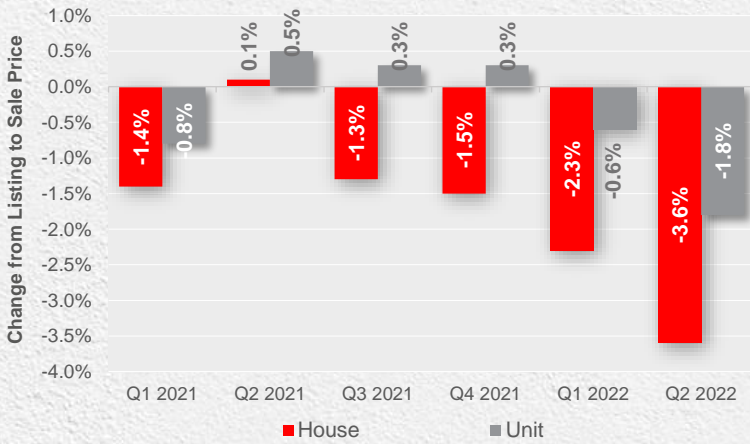
The Stotts Creek Organics Processing Facility (\$8.2M), is the sole industrial project that will assist the area's soil distribution.

Residential projects specifically in Tweed Heads include: Cobaki lakes subdivision (\$20.8M, 452 Lots), Kings Forest subdivision (\$20.0M, 500 Lots), Elise Street Units (\$7.0M, 25 Units). These will add to housing supply, but there is still a need for ready-to-sell houses.



# 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.

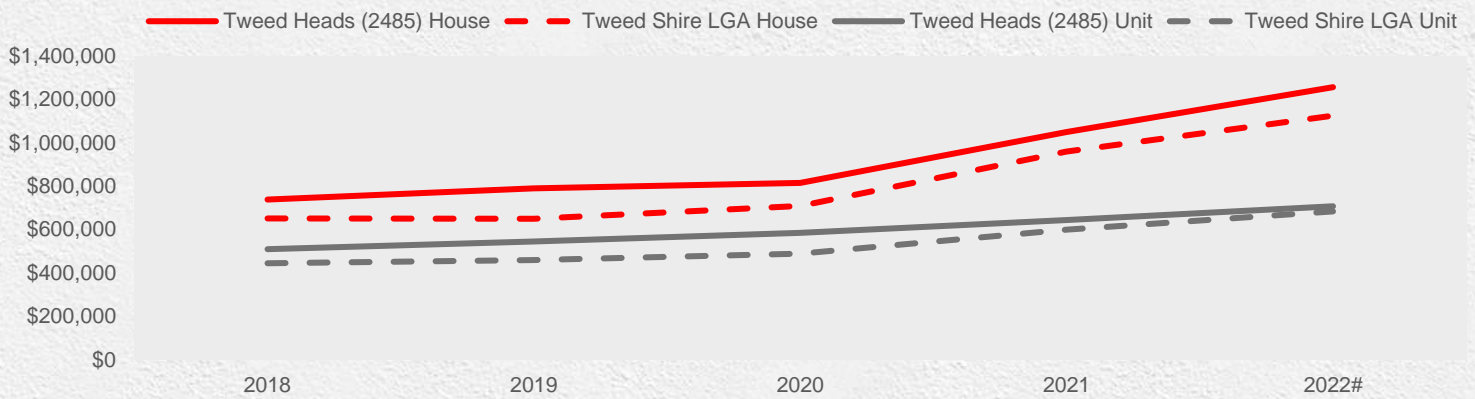


Average vendor discount swung from a premium in Q2 2021 to a discount in Q2 2022, of -3.6% (for houses) and -1.8% (for units). Market conditions in Tweed Heads\* have now shifted to favour buyers, as vendors are willing to accept below the initial listing price. Combined with an increase in median sale prices, this creates a unique opportunity for buyers and sellers.

For the past 5 years the suburb of Tweed Heads has outperformed the wider Tweed Shire Local Government Area (LGA) in both house and unit median prices. Units returned to parity in 2022#, while houses remained at a more premium market.

The dominant proportion of homes sold in Tweed Heads\* across 2022# were in the premium price bracket of above \$1,100,000 (41.7%). Units also recorded a dominant premium price point, of above \$750,000 (30.2%). Affordable options are available, however have continued to decline in the past 18 months.

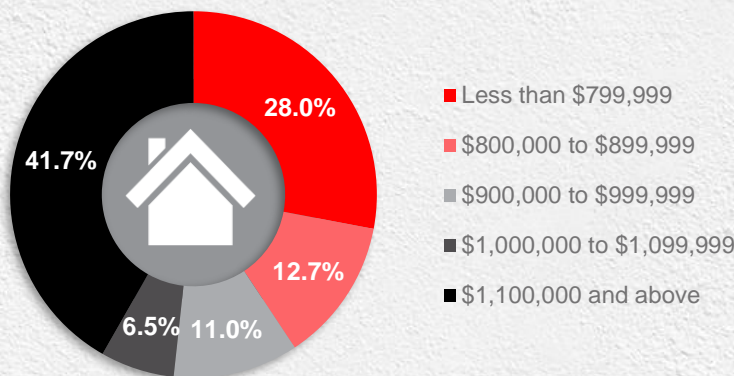
## MARKET COMPARISON



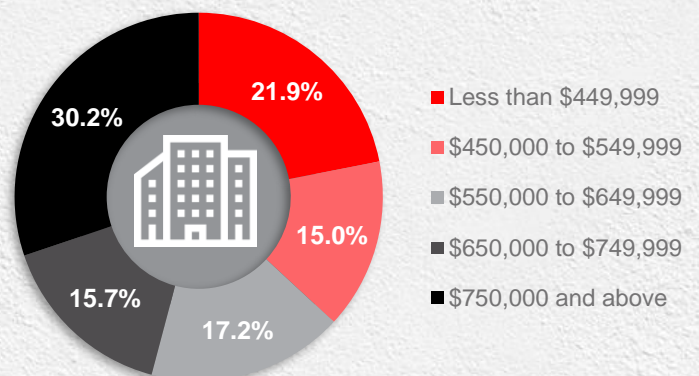
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Tweed Heads.

## PRICE BREAKDOWN 2022#

### HOUSES SOLD



### UNITS SOLD



# RENTAL GROWTH 2022€

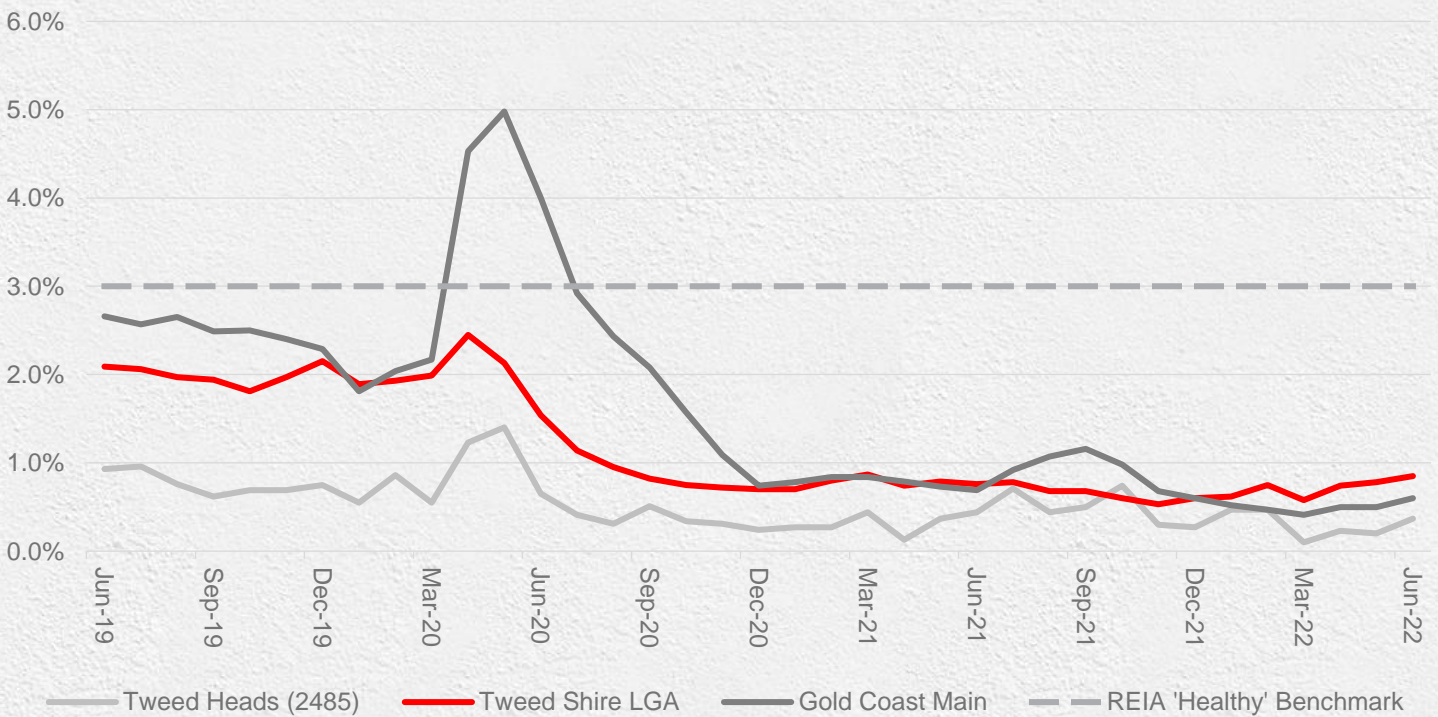
House rental yields in Tweed Heads\* were recorded at 3.1% in June 2022. This means that investors are making a strong return on investment. In the past 12 months to Q2 2022 median house rental price increased by 19.2%, to \$825 per week. The number of houses rented declined by -6.4%, as well as average day on the market (by -8.7%). Overall this indicates an undersupplied rental environment, a key indicator for investors to enter the market.

3 bedroom houses have provided investors with +15.4% rental growth annually, achieving a median rent of \$750 per week.

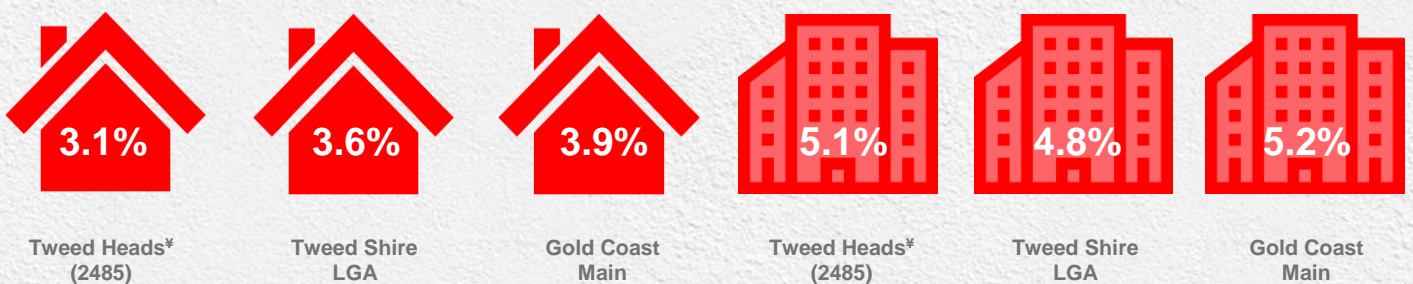
Tweed Heads\* recorded a vacancy rate of 0.4% in June 2022, which is below of Gold Coast's 0.6% and Tweed Shire's 0.9% average. Vacancy rates in Tweed Heads\* have held steady over the past 12 months, trending under 1.0%. This indicates quick occupancy of rental properties and stability in rental demand. These key indicators create a conducive and sustainable environment for investors, despite the increase in median sale prices of property over the past 12 months.



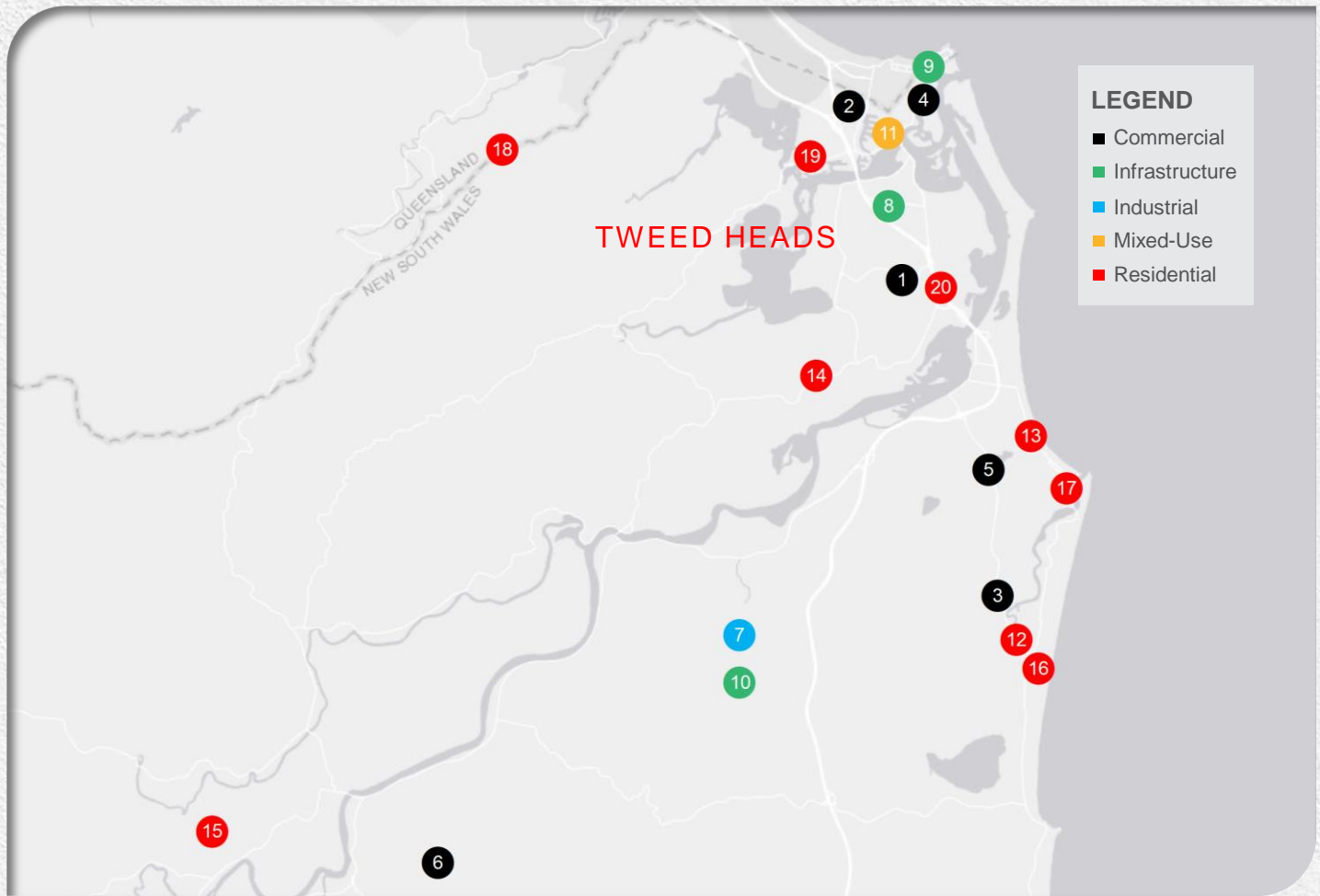
# RENTAL VACANCY RATES 2022



# RENTAL YIELD 2022\$



# TOP DEVELOPMENTS MAP 2<sup>nd</sup> HALF 2022<sup>Ⓐ</sup>



Location	Project <sup>£</sup>	Type	Estimated Value <sup>Ⓜ</sup>	Commence Date <sup>Ⓜ</sup>
1	Banora Village Shopping Centre	Commercial	\$4,419,000	07/11/2022
2	Ourimbah Road Bus Depot	Commercial	\$3,100,000	03/10/2022
3	Kings Forest Service Station	Commercial	\$4,500,000	29/08/2022
4	Florence Place Boarding House	Commercial	\$4,800,000	14/09/2022
5	Altona Road Earthworks & Drainage	Commercial	\$6,841,000	06/10/2022
6	Thornbill Drive Light Industrial Development	Commercial	\$2,535,000	12/10/2022
7	Stotts Creek Organics Processing Facility	Industrial	\$8,225,000	16/08/2022
8	Tweed Multi Modal Corridor Study	Infrastructure	\$5,000,000	14/10/2022
9	Captain Cook Lighthouse	Infrastructure	\$3,500,000	14/09/2022
10	Stotts Creek Resource Recovery Centre	Infrastructure	\$2,841,000	29/09/2022
11	Wharf Street Mixed Use Development (122 Units)	Mixed-use	\$37,844,000	01/11/2022
12	Kings Forest Subdivision Stage 1 (500 lots)	Residential	\$20,000,000	30/11/2022
13	Marine Parade Apartments Stages 1-2 (7 Lots)	Residential	\$2,700,000	03/12/2022
14	Terranora Road Dwellings (7 Dwellings)	Residential	\$4,300,000	08/07/2022
15	42 North Arm Road Dwellings (18 Dwellings)	Residential	\$4,108,000	15/08/2022
16	9-21 Habitat Drive Dwellings (7 Dwellings)	Residential	\$3,525,000	01/12/2022
17	Sutherland Street Dual Occupancies (6 Dwellings)	Residential	\$3,250,000	10/11/2022
18	Cobaki Lakes Residential Development Precincts 6 & 7 (452 Lots)	Residential	\$20,880,000	05/09/2022
19	Illoura Villas (13 Townhouses)	Residential	\$3,065,000	28/11/2022
20	Elsie Street Units (25 Units)	Residential	\$7,000,000	22/11/2022



## 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.

# 2022 encapsulates sales transactions for 1H 2022 (01/01/2022 – 30/06/2022) only.

€ Annual rental growth is a comparison between 1H 2021 (01/01/2021 – 30/06/2021) and 1H 2022 (01/01/2022 – 30/06/2022) 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 2022.

⌘ 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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