



Tweed Coast Market Update 2nd Half 2022



OVERVIEW

In Q2 2022, Tweed Coast* recorded a median house price of \$1,750,000, and a median unit price of \$875,000. This represents annual (Q2 2021 – Q2 2022) median price growth of 26.8% for houses and 25.0% for units. Total sales decreased between Q2 2021 – Q2 2022, by -24.0% (to 76 sales) for houses and by -37.9% for units (to 72 sales). Current owners 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, which can provide a buffer in a cash rate hike environment.

| | 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

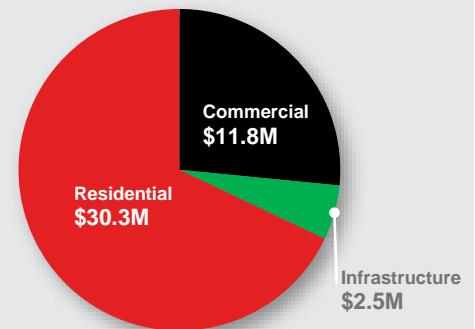


RENTAL AVERAGE DAYS ON MARKET Q2 2022



FUTURE DEVELOPMENTS

Tweed Coast will see approximately **\$44.6M** worth of new projects commencing in the 2nd half of 2022.



A focus on residential projects is key to the area, as it is undersupplied. This will assist in answering high demand. Infrastructure and commercial projects will continue to create new local jobs, stimulating the economy.

A main commercial project over the 2nd half of 2022 is the Altona Road Earthworks & Drainage (\$6.8M).

A key residential project in Tweed Coast is Kings Forest subdivision (\$20.0M, 500 Lots). This project will allow first home buyers to access multiple government grants, building their home in the near future.

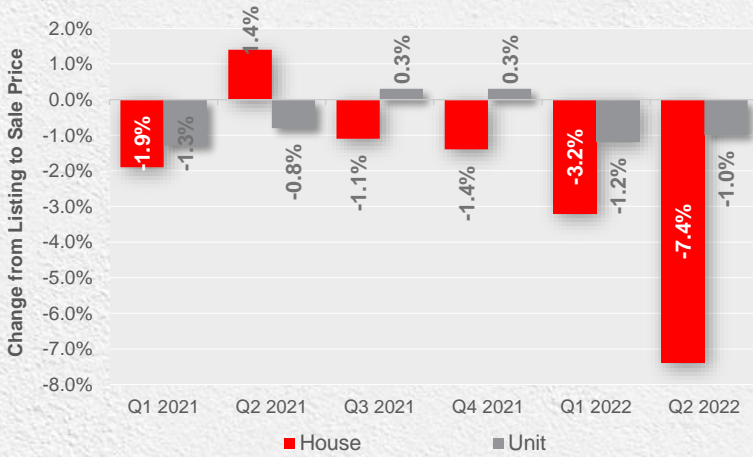
Other residential projects include:

- 9-21 Habitat Drive Dwellings (\$3.5M, 7 Dwellings)
- Sutherland St Dual Occupancies (\$3.2M, 3 Dwellings)
- Marine Parade Apartment Stage 1-2 (\$2.7M, 7 Apartments).



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.

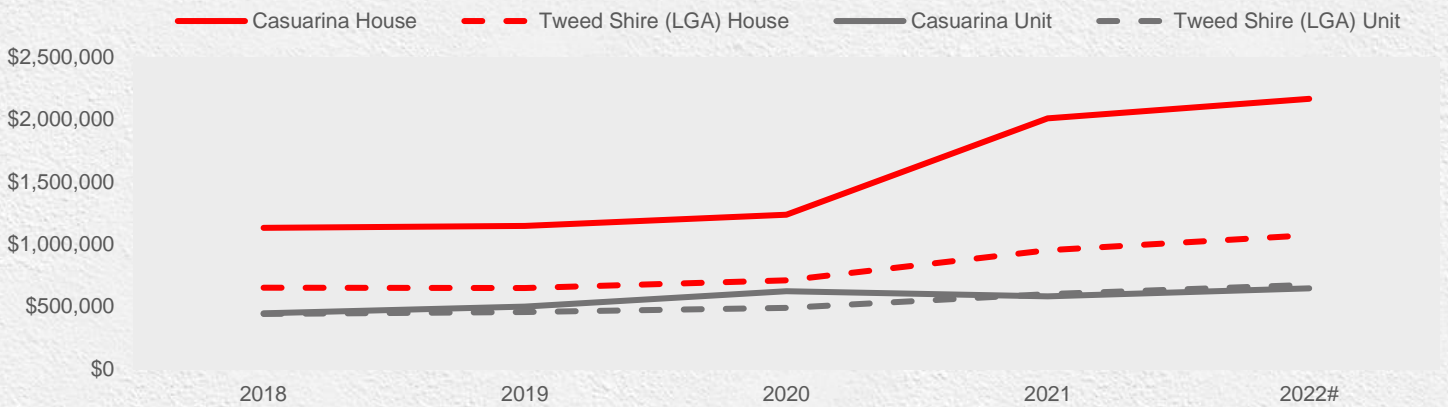


Average vendor discount swung from a premium in Q2 2021 to a discount in Q2 2022, of -7.4% (for houses) and -1.0% (for units). Market conditions in Tweed Coast* have returned to favouring buyers, as vendors are now willing to accept below the initial listing price. Combined with an increase in median sale prices, this creates a unique opportunity for buyers and sellers.

For the past 5 years the suburb of Casuarina 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 Coast* across 2022# were in the premium price bracket of above \$1,300,000 (80.6%). Units also recorded a dominant premium price point, of above \$700,000 (68.5%). Affordable options are available, however have continued to decline in the past 18 months.

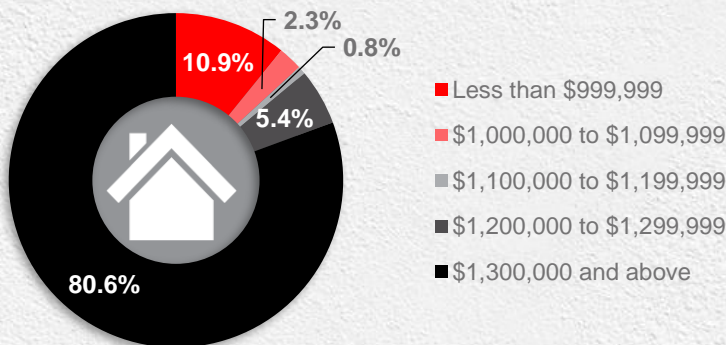
MARKET COMPARISON



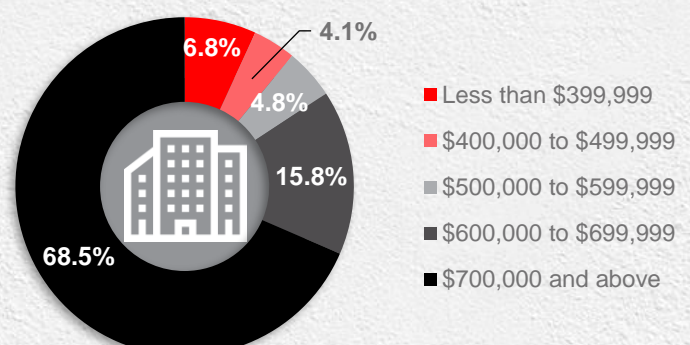
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Casuarina.

PRICE BREAKDOWN 2022#

HOUSES SOLD



UNITS SOLD



RENTAL GROWTH 2022€

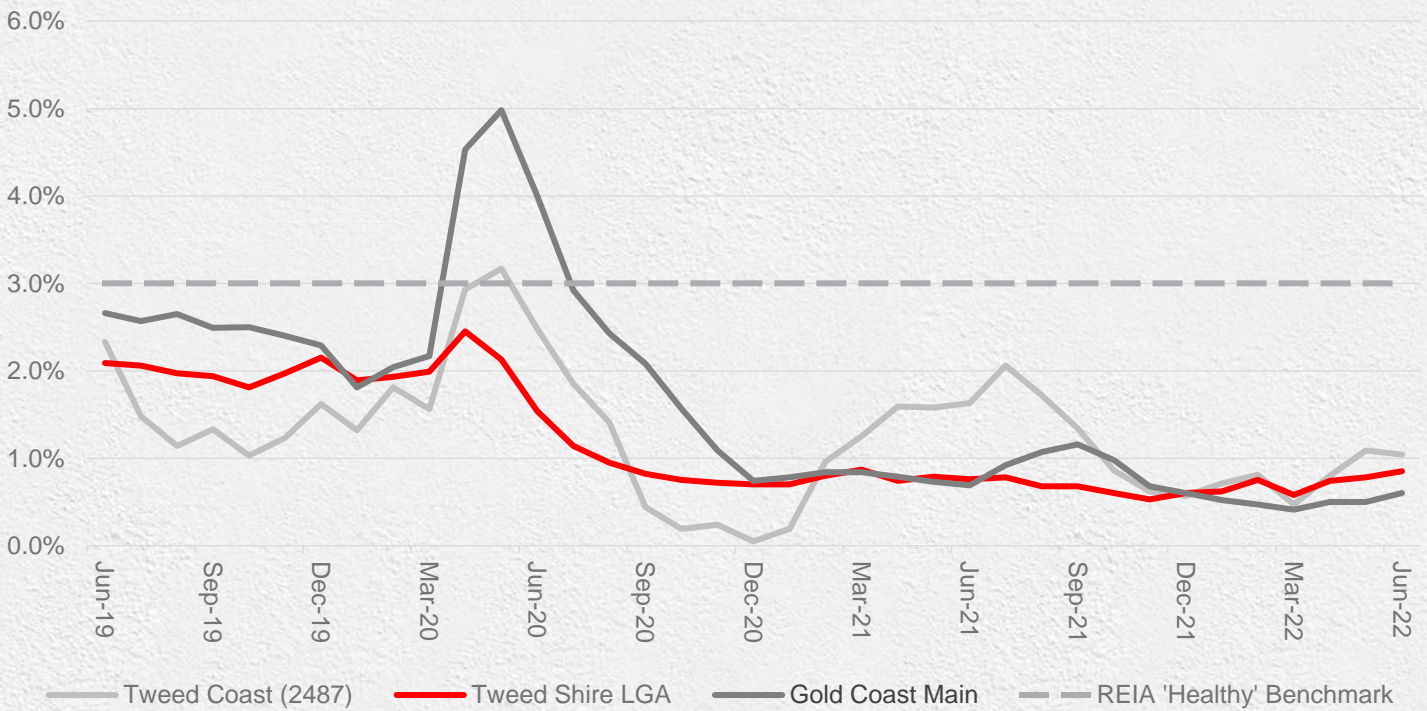
House rental yields in Tweed Coast* were recorded at 3.3% in June 2022. This means that investors are making a strong return on investment. In the past 12 months to Q2 2022 median house rental price increased by 19.5%, to \$950 per week. The number of houses rented declined by -22.5%, as well as average day on the market (by -12.0%). Overall this indicates an undersupplied rental environment, a key indicator for investors to enter the market.

4+ bedroom houses provided investors with +18.9% rental growth annually, achieving a median rent of \$1,100 per week.

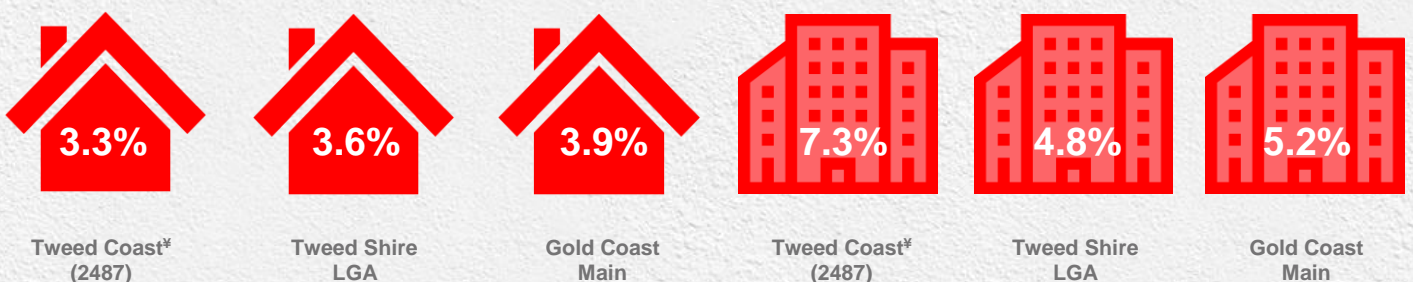
Tweed Coast* recorded a vacancy rate of 1.0% in June 2022, above that of Gold Coast's 0.6% and Tweed Shire's 0.9% average. Vacancy rates in Tweed Coast* have held relatively steady over the past 12 months, within the 1.5-2.0%. This indicates quick occupancy of rental properties and stability in rental 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.



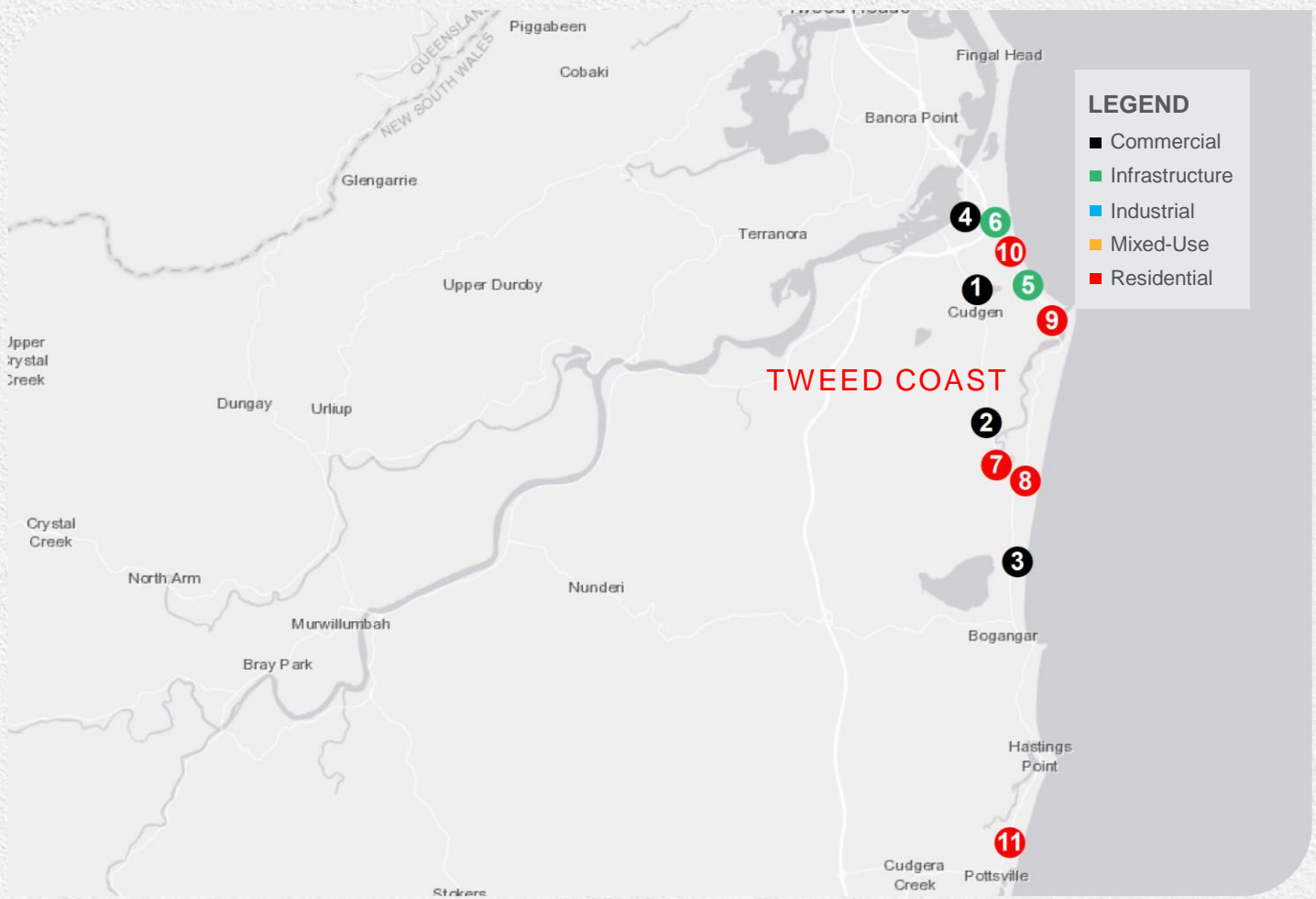
RENTAL VACANCY RATES 2022



RENTAL YIELD 2022\$



TOP DEVELOPMENTS MAP 2nd HALF 2022[†]



| Location | Project [£] | Type | Estimated Value [†] | Commence Date [‡] |
|----------|--|----------------|------------------------------|----------------------------|
| 1 | Altona Road Earthworks & Drainage | Commercial | \$6,841,000 | 06/10/2022 |
| 2 | Kings Forest Service Station | Commercial | \$4,500,000 | 24/10/2022 |
| 3 | 770 Casurina Way - Cabarita Ocean Health Retreat Additions | Commercial | \$250,000 | 11/08/2022 |
| 4 | Wommin Bay Road Office Building | Commercial | \$250,000 | 05/09/2022 |
| 5 | Kingscliff Fire Station | Infrastructure | \$2,000,000 | 11/07/2022 |
| 6 | Walter Peate Sports Complex | Infrastructure | \$450,000 | 15/12/2022 |
| 7 | Kings Forest Subdivision Stage 1- (500 Lots) | Residential | \$20,000,000 | 30/11/2022 |
| 8 | 9-21 Habitat Drive Dwellings- (7 Dwellings) | Residential | \$3,525,000 | 01/12/2022 |
| 9 | Sutherland Street Dual Occupancies- (3 Dwellings) | Residential | \$3,250,000 | 10/11/2022 |
| 10 | Marine Parade Apartments Stages 1-2- (7 Apartments) | Residential | \$2,700,000 | 03/12/2022 |
| 11 | 54 Tweed Coast Road Mixed Use Development- (2 Dwellings) | Residential | \$825,000 | 09/10/2022 |

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 Coast market data and key indicators encapsulates aggregate property market conditions within the suburbs of Fingal Head, Chinderah, Cudgen, Kingscliff, Casuarina, Bogangar, Cabarita Beach, Hastings Point, and Pottsville.

** 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 Coast market data encapsulates aggregate property conditions within the postcode of 2487.

§ 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 postcodes of 2487 and 2489.

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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