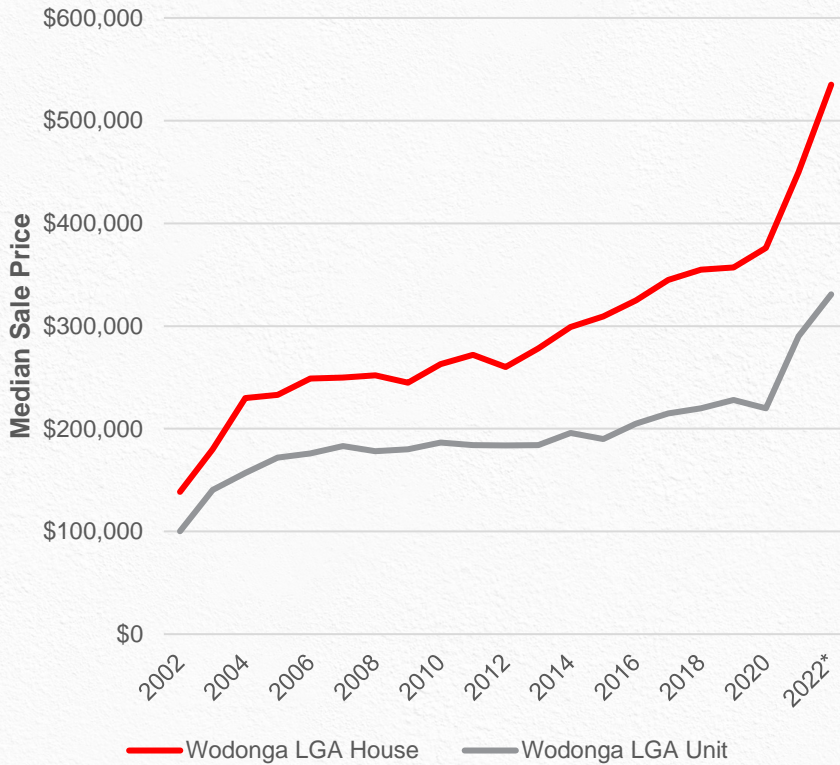


> Wodonga Investment Report
2022

WODONGA PROPERTY MARKET | 20 YEAR SNAPSHOT

WODONGA MEDIAN PROPERTY PRICES



2022 Median Price

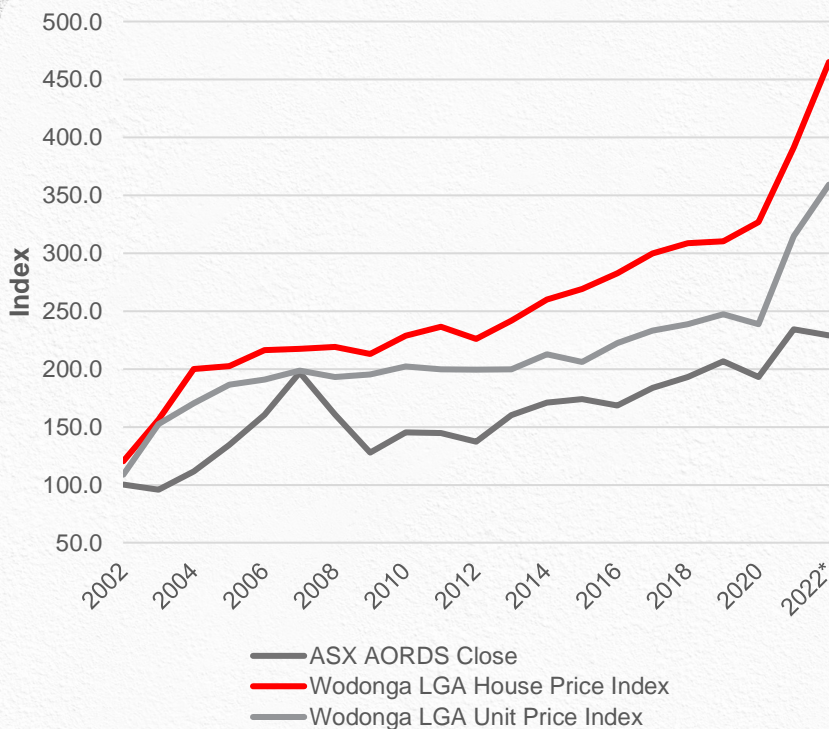
- Median House Price: \$535,000*
 - 1Y: +\$85,000 (18.9%)
 - 5Y: +\$190,000 (55.1%)
 - 10Y: +\$275,000 (105.8%)
 - 20Y: +\$396,500 (286.3%)
- Median Unit Price: \$331,000*
 - 1Y: +\$41,000 (14.1%)
 - 5Y: +\$116,000 (54.0%)
 - 10Y: +\$147,250 (80.1%)
 - 20Y: +\$230,775 (230.3%)

Key Comments

From 2002 to 2022*, both houses and units in Wodonga LGA have performed strongly, by returning 5-digit median price increases over the 1 year horizon, and six-digit median price increases over the past 5, 10 and 20 years.

*2022 data represents sales between 1st January 2022 – 30th September 2022.
Source: APM Pricerfinder.

PROPERTY AND SHARES: WODONGA LGA VS ASX



20-Year Index Growth

- ASX All Ordinaries (Close): +128.52%
- Wodonga LGA House: +286.28%
- Wodonga LGA Unit: +259.20%

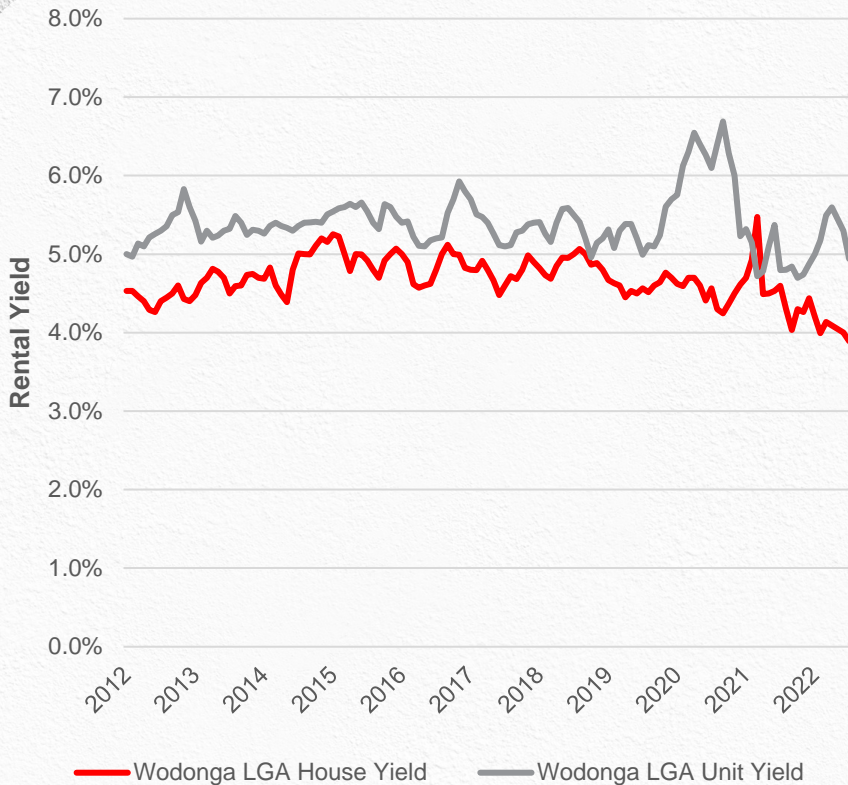
Key Comments

In 2002*, Wodonga's property markets have outperformed the ASX All Ordinaries. There are similarities in how the two asset classes perform, but the ASX has proven to be susceptible to shocks, more so than the property market.

2022 sees the biggest gap in returns for the two asset classes, with ASX softening and the Wodonga property market growing. This is particularly true when comparing ASX returns and the house market. This trend is projected to continue, due to the supply and demand imbalance of property stock in Wodonga.

Source: APM Pricerfinder, Yahoo! Finance.

WODONGA RENTAL YIELDS



Sep-22 Overview

- House Rental Yield: 3.9%
- Unit Rental Yield: 5.0%

Key Comments

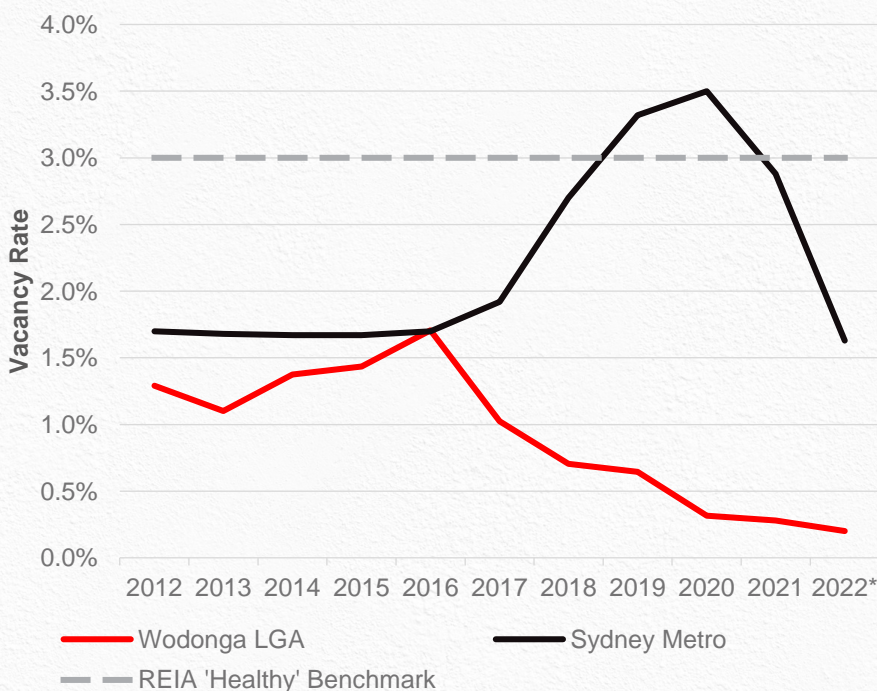
Between 2012 to 2022, Wodonga LGA's house rental yields remained within a band of 3.9% to 5.5%, averaging 4.7%. Unit rental yields fluctuated over the 10-year period, averaging 5.4%.

Rental yields in Wodonga saw a slight decrease during COVID-19 lockdowns, but this recovered without too much delay.

September 2022 house rental yields in Wodonga (3.9%) was higher than Sydney Metro's (2.6%). This confirms Wodonga as an attractive and more affordable alternative investment when compared to Sydney Metro.

Source: SQM Research.

WODONGA VACANCY RATES



Sep-22 Vacancy Rates

REIA 'Healthy' Benchmark: 3.0%

- Wodonga LGA: 0.2%
- Sydney Metro: 1.6%

Key Comments

Wodonga LGA recorded a vacancy rate of 0.2% in September 2022, a historical low for the past 10 years.

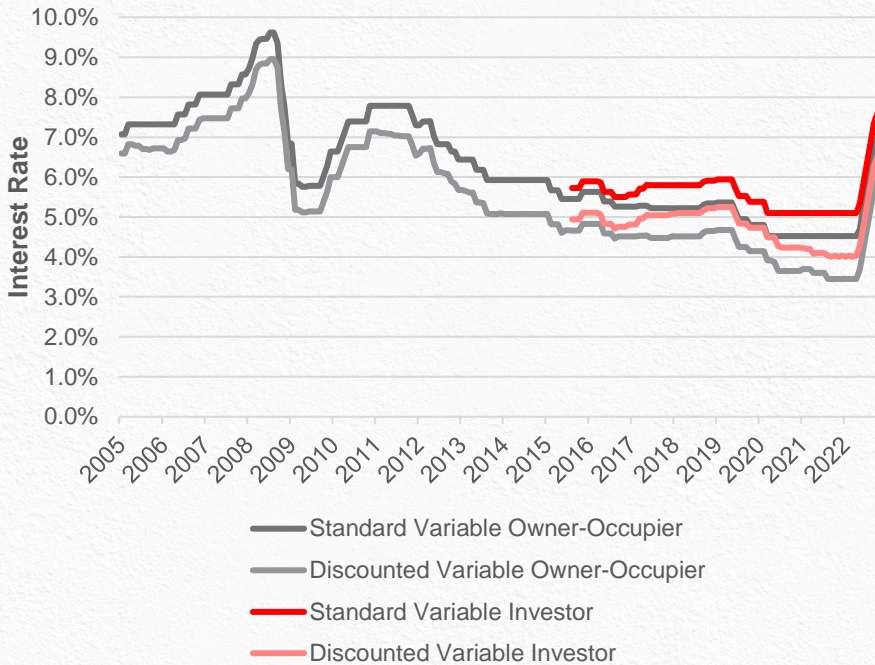
Vacancy rates in Wodonga have been on a declining trend since 2015, with a brief fluctuation in 2018-2019 due to the GFC.

Interestingly vacancy rates in Wodonga declined during COVID-19, in contrast to Sydney Metro (which increased).

This suggests a highly resilient rental market in Wodonga, creating a conducive quicker rental occupancy for investors.

Source: Haver Analytics.

PROPERTY INTEREST RATES



Source: Reserve Bank of Australia.

Oct-22 Variable Rates

- Standard Owner-Occupier: 7.0%
- Discounted Owner-Occupier: 6.0%
- Standard Investor: 7.6%
- Discounted Investor: 6.5%

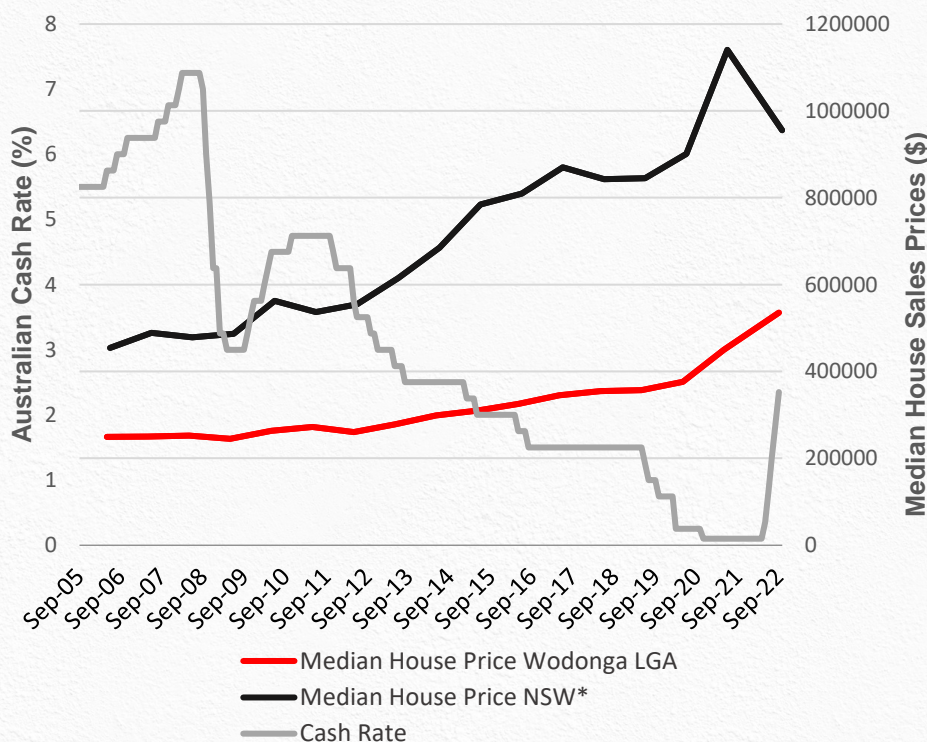
Key Comments

The RBA has increased the cash rate 7 times since its first time in May 2022, with 4 times being 50 basis point increases. This is not the RBA's norm of 25 basis point increases. This has lowered people's borrowing capacity, thus their purchasing power.

"The Board has increased interest rates materially since May. This has been necessary to establish a more sustainable balance of demand and supply in the Australian economy to help return inflation to target... The Board expects to increase interest rates further over the period ahead"

– Philip Lowe, RBA Governor, 1 Nov 2022

AUSTRALIAN CASH RATE VS WODONGA MEDIAN HOUSE PRICE VS NSW MEDIAN HOUSE PRICE



2022 Median Prices

- NSW Median House Price: \$955,000
- Wodonga LGA Median House Price: \$535,000
- Cash Rate (September 2022): 2.35%

Key Comments

The NSW property market seemed to have peaked, as affordability constraints start to bite and a change in interest rates meant buyers can borrow less.

NSW median house price saw a price softening in recent times, as the market enters uncertain times.

In contrast median property prices in Wodonga LGA continue to see growth, even if at a slower pace. Thus it is a more resilient investment option.

*Disclaimer Median House Price NSW for 2022 represents projected figures based on known sales between 1st January- 30th September 2022. Source: APM Pricerfinder, Reserve Bank of Australia