Roaring Regions

Top 10 Affordable Regional Areas 2023

HOME AFFORDABILITY

QLD, NSW, VIC & TAS

The start of 2023 marks an uncertain time for property buyers, with many monitoring cash rate movements and their impact on the housing market. The Reserve Bank of Australia (RBA) increased the cash rate for the 10th time in March 2023. This impacted mortgage repayments for many. First home buyers, who had not yet seen a cash rate increase, were a vulnerable cohort.

In the past 12 months to the December quarter of 2022, the weighted average Australian median house price decreased by 0.9% to $945,474. In the same period, median family weekly income grew by 6.7%. This is a much better statistic for affordability compared to the 25.0% growth in the weighted average Australian median house price, (12 months to December quarter 2021) with only 5.3% median family weekly income growth.

Consequently, the proportion of family income needed to meet loan repayments increased by 35.0% in the past 12 months to the December quarter of 2022, marginally lower than the 37.0% increase recorded in the past 12 months to the December quarter of 2021.

Slower price growth is now evident in many markets, including regional areas. This makes house prices more affordable and creates opportunities for owner-occupiers and investors. However, with the double-whammy of higher living costs, buyers remain cautious. *The Top 10 Affordable Regional Areas 2023 report* provides options for those looking to achieve the great Australian dream of owning a home, by expanding the search to areas outside of the metro and capital cities.

TABLE 1. MEDIAN HOUSE PRICE AND AVERAGE STATE LOAN

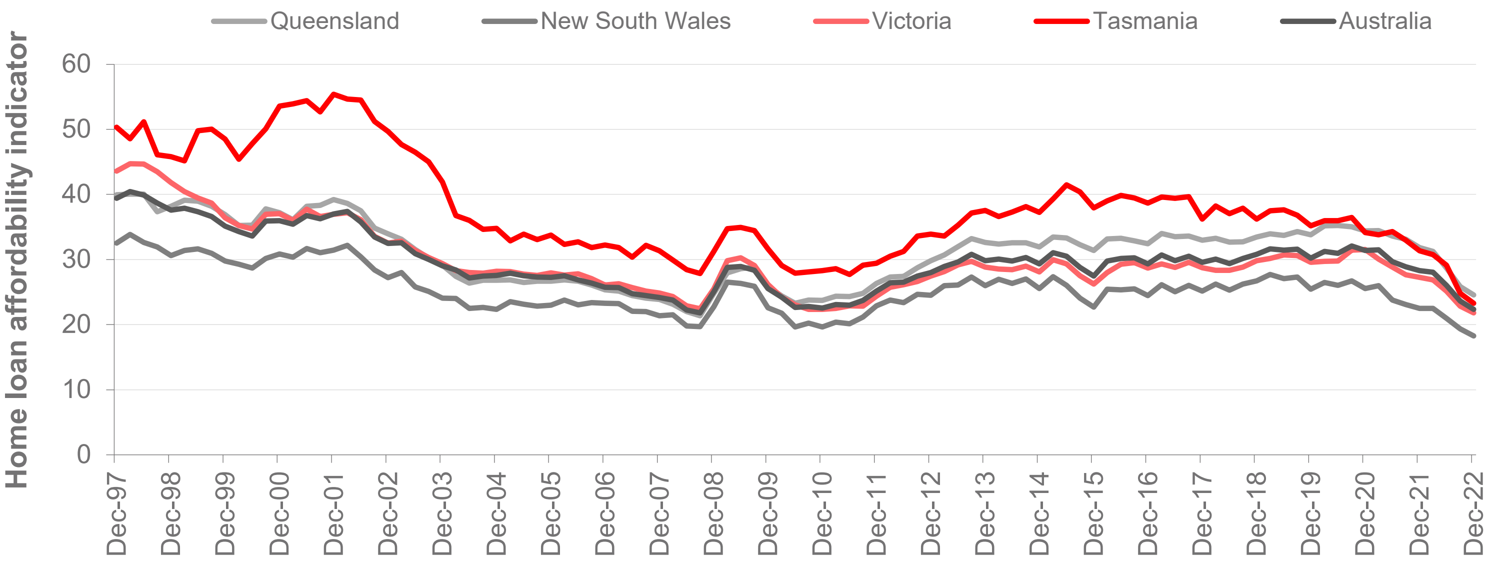
Location	Median House Price (Dec Quarter 2022)	Average State Loan (Dec Quarter 2022)
Brisbane, QLD	$740,000	$525,635
Sydney, NSW	$1,414,000	$749,521
Melbourne, VIC	$975,000	$621,297
Hobart, TAS	$790,000	$469,385

Source: Real Estate Market Facts Report December Quarter 2022 and Housing Affordability Report December Quarter 2022 by Real Estate Institute of Australia. Prepared by PRD Research.

The average state loan reflects the amount financial lenders are comfortable lending to consumers. Assuming consumers are providing a 20% deposit, we are able to calculate the ideal sale price range buyers can access.

The home loan affordability index reflects the ratio of median family income in relation to average home loan repayments. Home loan affordability has been at the lower end of the scale since its peak in 2001, with December 2022 figures showing more declines. This is unexpected, given that higher cash rates were thought to lead to lower property prices – hence a premise for an increase in home loan affordability. In the past 12 months, Australia's home loan affordability declined to 22.4 index points, with New South Wales (NSW) being the least affordable state for buyers at 18.2 index points. Interestingly, out of the four states within this report, Tasmania (TAS) recorded the highest decline of -25.7%. That said, this is not a complete surprise, given the high price growth of TAS real estate. Queensland (QLD) recorded at 24.5 index points, proving to be the friendliest state for buyers. This is the highest home loan affordability among the four states within this report and is also above the Australian average.

HOME LOAN AFFORDABILITY INDEX COMPARISON



Source: Housing Affordability Report December Quarter 2022 dataset by Real Estate Institute of Australia. Last updated February 2023. Prepared by PRD Research. © PRD 2023.

ROARING REGIONS

METHODOLOGY - SELECTION

CRITERIA

Affordability – the Local Government Area (LGA) has a median house price below the calculated maximum affordable property sale price, which is the state average loan + 20% (assumed deposit for an approved mortgage home loan).

Property trends – to ensure statistical reliability, the LGA considered must have 20 transactions or more in 2021 and 2022, with positive median house price growth within that time period.

Investment – to ensure conducive investment opportunities, the LGA will have an on-par or higher rental yield than its capital city, as well as an on-par or lower vacancy rate compared to its capital city.

Project development – the LGA will have a high estimated value of future project development, with a higher concentration of commercial and infrastructure projects to ensure a positive economic outlook.

Unemployment rate – as of the December quarter of 2022, the LGA will have an on-par or lower unemployment rate than the state average to ensure there is local job growth.

TOP 10 AFFORDABLE REGIONAL AREAS

Based on the above methodology and selection criteria, the following 10 regional locations are deemed to be affordable areas with solid fundamentals for sustainable future growth.

All chosen LGAs have a median house price of $600,000, which is approximately 30% lower than Melbourne's, and more than half of Sydney's median house price in the December quarter of 2022.

QUEENSLAND
The Whitsunday Region
Mackay Regional Council
The Charters Towers Region
NEW SOUTH WALES
Federation Council
Dubbo Regional Council
The City of Lithgow
VICTORIA
City of Greater Bendigo
City of Greater Shepparton
City of Ballarat
TASMANIA
Central Coast Council

AFFORDABLE REGIONAL AREAS WITH SOLID GROWTH FUNDAMENTALS

TOP AFFORDABLE MAJOR REGIONAL AREA

WHITSUNDAY, QLD

Whitsunday LGA is a tropical coastal area in the north of Queensland, most famously known for its Great Barrier Reef. The Whitsundays has recorded a 5-year population growth of 7.3% (+2561 residents) in the past 5 years to 2021. In the September quarter of 2022, Whitsunday LGA recorded an unemployment rate of 2.8%, sitting below Queensland's average of 3.7%. This suggests a vibrant economy and high local job creation, ensuring property demand will continue to grow.

Median price growth in Whitsunday LGA over the past 10 years (2013-2022) has been significant for land, showing a growth of +19.1%. In the same timeframe, median house prices grew by +15.0%. QLD's COVID-19 conditions resulted in higher confidence from interstate buyers and Queenslanders residing outside of Whitsunday LGA, evident through the spike in house sales between 2020-2022.

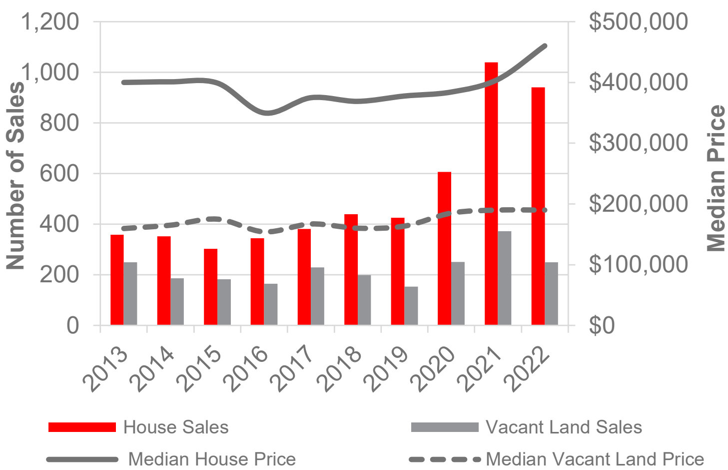
In December 2022, investors in the Whitsunday LGA benefited from average rental yields of 5.3% for houses, sitting well above Brisbane Metro (3.7%). Units in the Whitsunday LGA recorded an average rental yield of 7.4%. In December 2022, vacancy rates were at a low 0.7% and have trended within the 1.0% mark for the past 12 months, below that of Brisbane Metro (1.1%). This suggests there is quicker occupancy of investment properties, which when combined with high rental yields, benefits investors. With a lower entry price compared to Brisbane, first-time investors are encouraged to enter the market.

Throughout 2023, Whitsunday LGA is set to see a total of $1.4B* worth of project development commence, mainly in commercial projects. This signals the creation of new businesses and improved services, thus the potential to create more jobs and stimulate a more vibrant economy. A total of 1821 lots and 80 units will be added to the Whitsunday LGA market, which will cater to the increasing property demand. Ready-to-sell stock is much needed, particularly for stand-alone dwellings/houses. This suggests any house price changes due to increasing cash rates would be temporary. Thus, this is now an advantageous time for buyers.

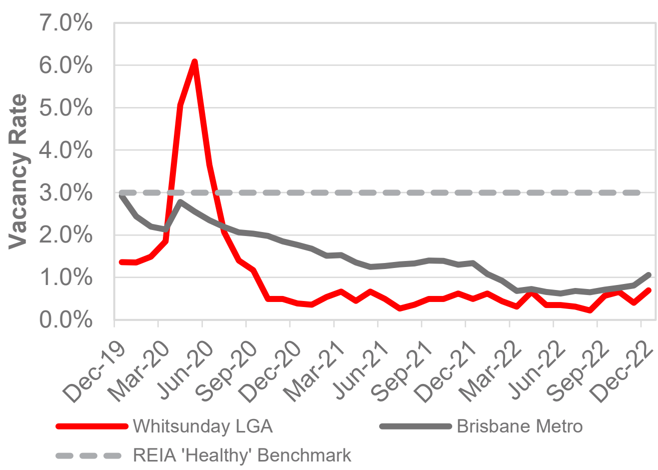
KEY FACTS

House median price (2022)	$460,000
Land median price (2022)	$190,000
Unit median price (2022)	$320,500
Vacancy rate (as of Dec-22)	0.7%
House rental yield (as of Dec-22)	5.3%
Unit rental yield (as of Dec-22)	7.4%
Estimated value of developments in 2023	$1,411,282,000
Total dwellings set to commence in 2023	1,821 lots 80 units/apartments
Unemployment rate (as of Sep Quarter 2022)	2.8%
5-year population growth (from ABS ERP 2021)	7.3% (+2561 residents)

AREA SALES & MEDIAN PRICE



VACANCY RATE



*Disclaimer: Estimated value is the value of construction costs as per provided by the relevant data authority, it does not reflect the project's sale/commercial value.
Source: APM Pricefinder, SQM Research, Cordell Database, Australian Bureau of Statistics, Australian Government Department of Jobs and Small Business.

TOP AFFORDABLE MAJOR REGIONAL AREA

MACKAY, QLD

Mackay LGA is a coastal area located in North Queensland, also known for its close connection to the Great Barrier Reef. In the past 5 years to 2021, Mackay LGA saw a 4.8% increase in population, which is in line with expectations for a regional area. A high level of infrastructure and commercial projects are planned in 2023, and with COVID-19 triggering lifestyle changes for Australians, population growth is imminent. In the September quarter of 2022, Mackay LGA recorded an unemployment rate of 2.7%, sitting well below QLD's 3.7%. This is great news for the area as it signals local job growth and a healthy economy.

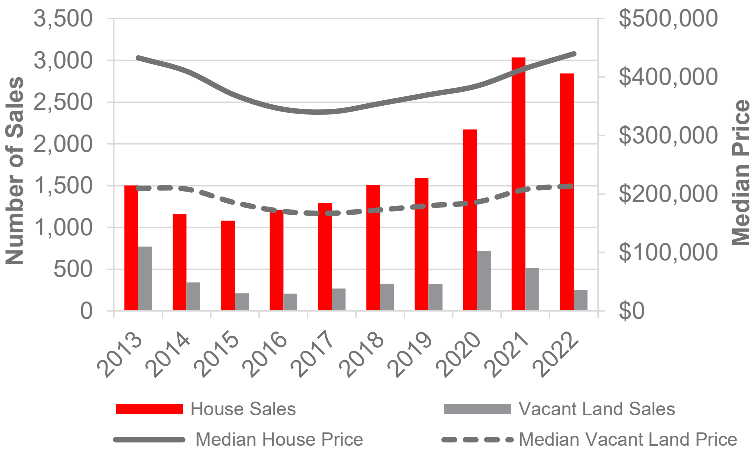
Median land price growth in Mackay LGA in the past 10 years (2013-2022) was +1.9%, modest compared to Whitsundays LGA (19.1%. Between 2013 and 2022, the median house price grew by 6.0% and the median unit price grew by 7.7%, creating an affordable market for first home buyers. Mackay LGA saw a market recovery when compared to 2015 and 2017, which speaks volumes in regards to market resilience. Number of sales spiked between 2020 and 2022, which helped increase prices.

In December 2022, investors in Mackay LGA benefited from average rental yields of 6.1% for houses, which sits well above Brisbane Metro (3.7%). Units recorded an average rental yield of 6.5% over the same period. Vacancy rates were recorded at a low 1.1% in December 2022, and have trended within the 1.0% mark for 18 months, on par with Brisbane Metro (1.1%). Low vacancy rates coupled with high rental returns suggest rental market resilience in Mackay amidst COVID-19. With a median entry price that is much lower than Brisbane, first-time investors are encouraged to take this opportunity to enter the market.

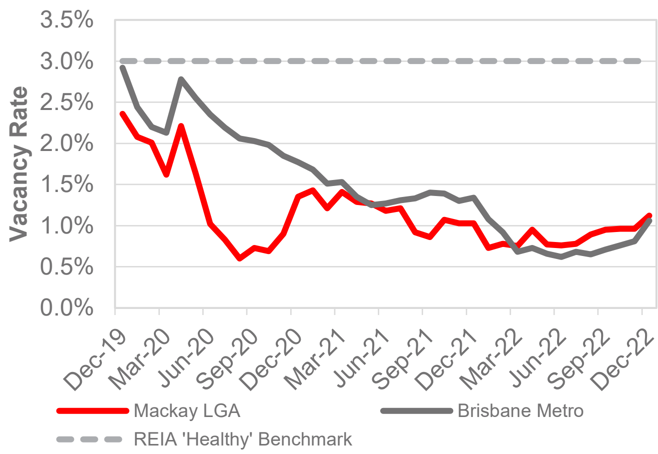
Mackay LGA is set to see an estimated $511.9M* of projects commence throughout 2023, with a large component of this being infrastructure and commercial developments. Combined, this will improve liveability and services for residents, create local jobs, and stimulate the economy. There are 735 lots, 9 dwellings, 192 units, and 6 townhouses planned in 2023. This will assist with current property demand, in particular, buyers wanting to access multiple grants and build their home. That said, there is still a need for more ready-to-sell stand-alone houses.

KEY FACTS	
House median price (2022)	$440,000
Land median price (2022)	$214,000
Unit median price (2022)	$285,000
Vacancy rate (as of Dec-22)	1.1%
House rental yield (as of Dec-22)	6.1%
Unit rental yield (as of Dec-22)	6.5%
Estimated value of developments in 2023	$511,941,000
Total dwellings set to commence in 2023	735 lots 9 dwellings 192 units 6 townhouses
Unemployment rate (as of Sep Quarter 2022)	2.7%
5-year population growth (from ABS ERP 2021)	+4.8% (+1571 residents)

AREA SALES & MEDIAN PRICE



VACANCY RATE



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Source: APM Pricefinder, SQM Research, Cordell Database, Australian Bureau of Statistics, Australian Government Department of Jobs and Small Business.

TOP AFFORDABLE MAJOR REGIONAL AREA

CHARTERS TOWERS, QLD

Charters Towers LGA is a rural town, which, according to history, was formed due to rich gold deposits found under the city. Now it is known for being a key transport hub between Townsville and the outback, and for the town's heritage-listed architecture. Townsville LGA experienced a 5-year population decrease of -0.9% (-103 residents) in 2021, which is not unheard of for a regional area. In the September quarter of 2022, the area recorded an unemployment rate of 3.0%, sitting below QLD's average of 3.7%. This suggests that local jobs are being created, and with the call for a tree-change popular post-COVID-19, more people are expected to consider Charters Towers as a place to live.

Over the past 10 years, (2013-2022) Charters Towers LGA experienced positive median price growth for houses and units, of 19.3% and 28.0%, respectively. The market shows real returns in capital investment, as median price growth is alongside a higher number of sales - 68.3% for house sales and 100.0% for unit sales. As with many regional areas, Charters Towers saw a spike in sales between 2020 and 2022. This is great news for owner-occupiers and down-sizers looking to sell.

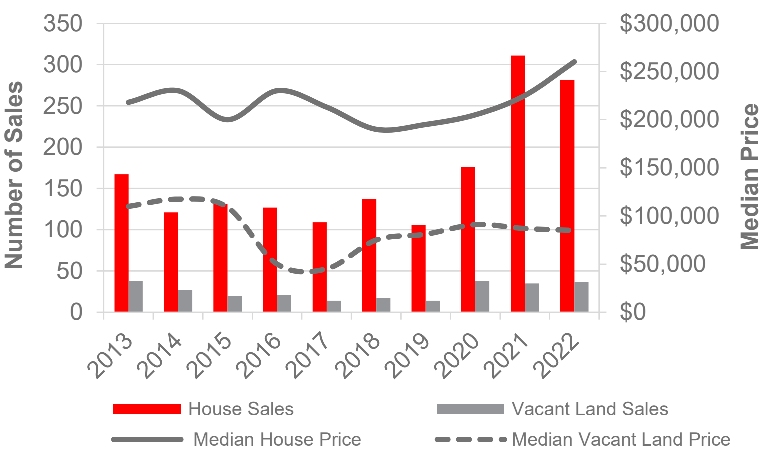
In December 2022, investors in Charters Towers LGA benefited from 5.6% average rental yields for houses, which sits well above Brisbane Metro (3.7%). Units saw an average rental yield of 5.4% in the same period. Charters Towers LGA recorded a significantly low vacancy rate of 0.2% in December 2022, well below Brisbane Metro (1.1%); and have remained within the 1.0% mark in the past 18 months. There is a strong demand in the rental market, with quicker occupancy rates. Investors can be confident in their decision to enter the Charters Towers market.

Charters Towers is set to see a total of $864.7M* worth of development commence throughout 2023, with a large focus in infrastructure projects. This signals higher liveability and improved services for residents, and new local jobs in the construction phase. A total of 116 lots and 20 units are planned, which will assist with managing property demand. That said, the ready-to-sell house market remains undersupplied.

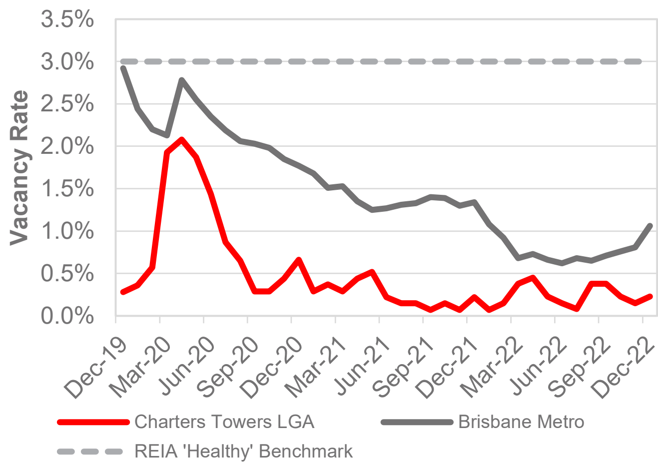
KEY FACTS

House median price (2022)	$260,000
Land median price (2022)	$85,000
Unit median price (2022)	$215,000
Vacancy rate (as of Dec-22)	0.2%
House rental yield (as of Dec-22)	5.6%
Unit rental yield (as of Dec-22)	5.4%
Estimated value of developments in 2023	$864,690,000
Total dwellings set to commence in 2023	116 lots 20 units
Unemployment rate (as of Sep Quarter 2022)	3.0%
5-year population growth (from ABS ERP 2021)	-0.9% (-103 residents)

AREA SALES & MEDIAN PRICE



VACANCY RATE



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Source: APM Pricefinder, SQM Research, Cordell Database, Australian Bureau of Statistics, Australian Government Department of Jobs and Small Business.

TOP AFFORDABLE MAJOR REGIONAL AREA

FEDERATION, NSW

The Federation LGA sits on the New South Wales and Victoria border just west of Albury, in the beautiful Riverina region of NSW. It is well-known for its prime sheep and cattle grazing land. Federation held an estimated population of 12,899 in 2021 and recorded an unemployment rate of 2.7% (as of the September quarter of 2022), which is well below the NSW average of 3.9%. This highlights high economic resilience even throughout COVID-19, and the premise of consistent property demand.

Median property price growth in the Federation LGA over the past 10 years (2012-2022) has proven exceptionally strong for vacant land, with a growth of +147.3% over the period. Across the same decade, there has been +85.8% median house price growth and +100.0% median unit price growth, affirming the strength of the property market. Federation LGA's rural location has become less popular from 2021 and 2022, with a -4.4% annual drop. However, on a five years basis the population grew by 2.5%. House sales peaked in 2021, and with increasing prices in capital city and metro areas, and work from home capabilities during COVID-19 and beyond, attention towards Federation LGA will continue.

As of December 2022, Federation LGA investors benefited from an average house rental yield of 4.5%, well above Sydney Metro's average house rental of just 2.2%. Units in Federation LGA recorded an average rental yield of 5.3% in December 2022, above Sydney Metro (3.5%).

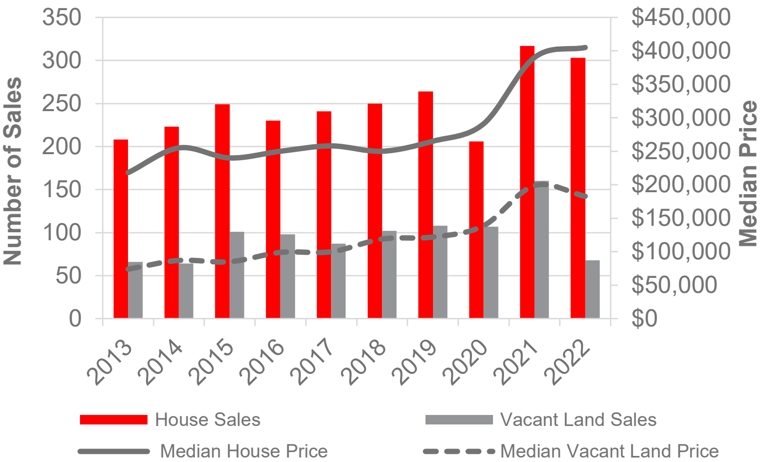
A low vacancy rate of just 0.4% in December 2022 was below Sydney Metro (1.8%), with Federation LGA historically having lower vacancy rates than Sydney Metro for the past three years. As an alternative investment perspective, Federation LGA is an attractive regional market due to affordable pricing, higher rental returns, and quicker occupancy.

Federation LGA is set to see a total of $1.02B* in developments to commence throughout 2023, most of which are commercial projects. No ready-to-sell stock is planned, thus an undersupply will continue. This creates a buffer against cash-rate hikes, leading to more price growth.

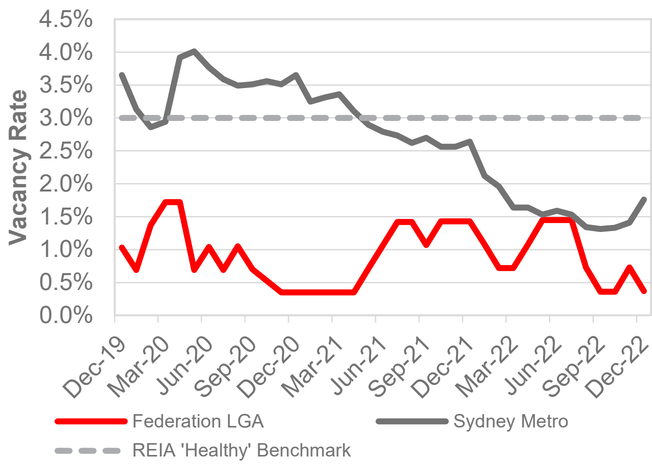
KEY FACTS

House median price (2022)	$405,000
Land median price (2022)	$182,000
Unit median price (2022)	$372,000
Vacancy rate (as of Dec-22)	0.4%
House rental yield (as of Dec-22)	4.5%
Unit rental yield (as of Dec-22)	5.3%
Estimated value of developments in 2023	$1,021,650,000
Total dwellings set to commence in 2023	N/A
Unemployment rate (as of Sep Quarter 2022)	2.7%
5-year population growth (from ABS ERP 2021)	2.5% (177 residents)

AREA SALES & MEDIAN PRICE



VACANCY RATE



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Source: APM Pricefinder, SQM Research, Cordell Database, Australian Bureau of Statistics, Australian Government Department of Jobs and Small Business.

TOP AFFORDABLE MAJOR REGIONAL AREA

DUBBO, NSW

Dubbo LGA is located west of Newcastle in the Orana Region of New South Wales. It is home to Western Plains Zoo and the heritage-listed old Dubbo Gaol. Dubbo had an estimated population of 74,084 in 2021, which represented a 29.8% growth over a 5 year period. In the September quarter of 2022, Dubbo LGA recorded an unemployment rate of 3.3%, which sat below NSW's 3.9% average. These indicators suggest a thriving economy, with property demand on the rise.

In the past 10 years to 2022, median price growth grew significantly in Dubbo LGA; by +68.4% for houses, +53.7% for vacant land, and +91.7% for units. The median house price has grown particularly strong in the past 12 months (2021-2022), by +13.1%. 2020 saw Dubbo LGA house sales picking up momentum, congruent to the tree-change phenomena. 2021 saw a peak in house sales, followed by an undersupply in 2022.

From an investment perspective, as of December 2022, Dubbo LGA investors benefitted from average rental returns of 4.7% for houses and 5.4% for units. These are well above those achieved in Sydney Metro (at 2.2% and 3.5% for houses and units, respectively). Further, Dubbo LGA recorded a very low vacancy rate of just 1.2% in December, with a steady trend of being within the 1.0% mark for the past 12 months.

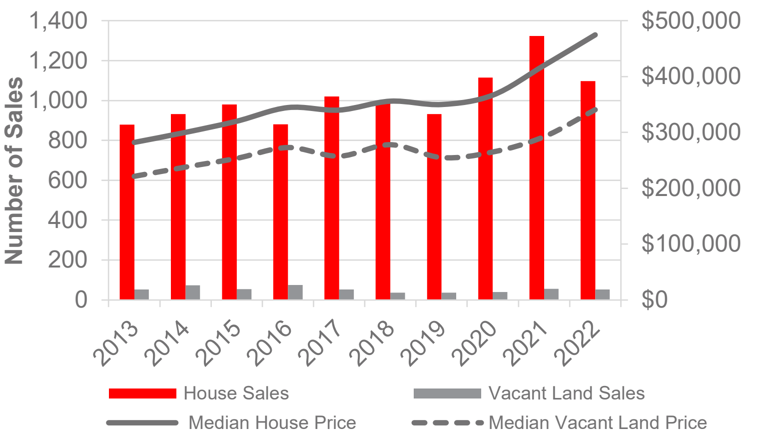
The above investment indicators suggest that properties in Dubbo LGA are occupied relatively quickly, minimising vacancy risk which is higher in Sydney Metro (1.8% for December 2022). Combined with a more affordable entry price (than Sydney Metro) and superior rental returns, Dubbo LGA is a regional area investors should consider.

Dubbo LGA is set to benefit from a total estimated development pipeline of $887.7M* across 2023. The majority of this is commercial projects ($503M), which will further stimulate local jobs. 517 lots, 7 units, and 34 dwellings are planned for the Dubbo LGA market, which will assist with increasing property demand. That said, considering the high growth in house sales over the past 24months, Dubbo will remain undersupplied.

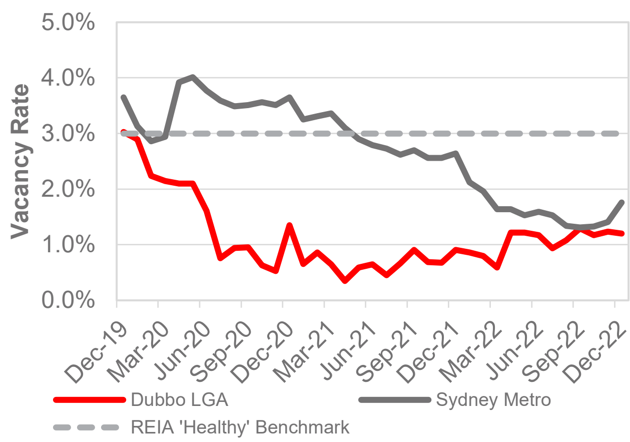
KEY FACTS

House median price (2022)	$495,000
Land median price (2022)	$340,000
Unit median price (2022)	$230,000
Vacancy rate (as of Dec-22)	1.2%
House rental yield (as of Dec-22)	4.7%
Unit rental yield (as of Dec-22)	5.4%
Estimated value of developments in 2023	$887,723,000
Total dwellings set to commence in 2023	517 lots 34 dwellings 0 townhouses 7 units
Unemployment rate (as of Sep Quarter 2022)	3.3%
5-year population growth (from ABS ERP 2021)	+29.8% (+12,602 residents)

AREA SALES & MEDIAN PRICE



VACANCY RATE



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TOP AFFORDABLE MAJOR REGIONAL AREA

LITHGOW CITY, NSW

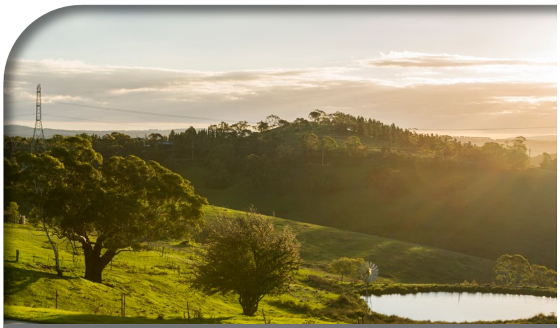
Lithgow City LGA is located north-west of Sydney in the Central West region of NSW. The area is synonymous with its historic connection to the Blue Mountains and the heritage-listed Lithgow Zig Zag railway. Lithgow LGA had a population of approx. 20,802 in 2021, which represents a -2.6% decline in the past 5 years. This is within an expected range for a regional area, and translates to consistent property demand. In the September quarter of 2022, Lithgow LGA had an unemployment rate of 2.9%, sitting well below the NSW average state benchmark of 3.9%.

Over the past 10 years (2012-2022), Lithgow City LGA experienced exceptional median price surges for all property types; houses by +119.8%, vacant land by +59.1%, and units by +150.0%. Strong median price growth was recorded in the house market over the last year (2021-2022), increasing by +23.5%. 2022 saw a decline in vacant land sales from the previous year, from 106 sales to 64. House sales grew by 11.5% in the past decade, with 2021 recording a significant peak.

As of December 2022, investors in Lithgow City LGA benefited from average rental yields of 3.3% for houses, well above Sydney Metro (2.2%). Units recorded an average rental yield of 3.3%, which is almost on par with Sydney Metro (3.5%). Lithgow City LGA has a lower median entry price than Sydney Metro, and with higher or on-par rental yields, is an attractive alternative investment for first-time investors.

Further, Lithgow City LGA recorded a very low vacancy rate of just 1.6% in December 2022, below the average Sydney Metro (1.8%). This will benefit investors as rental properties in Lithgow are occupied quicker.

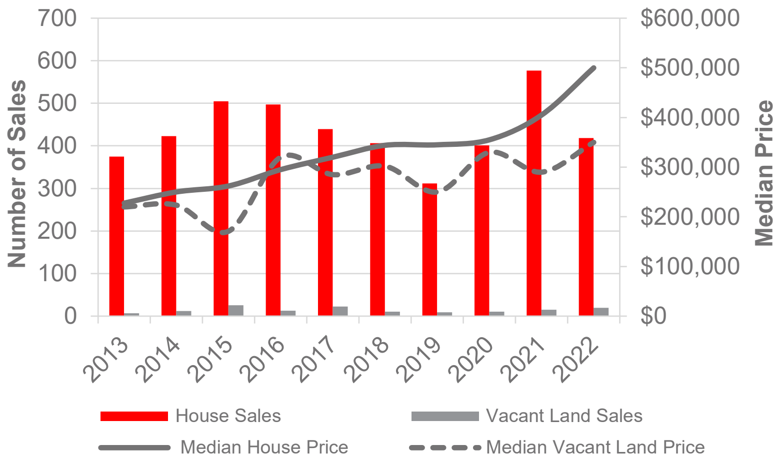
Lithgow City LGA is set to benefit from a total development pipeline of $824.6M* across 2023, with infrastructure ($409.0M*) and commercial (406.0M*) a key focus Combined, this will improve services for residents and create jobs, with the potential of attracting new residents. 127 lots, 8 dwellings, and 4 townhouses are planned for the area, which provides minimal assistance to buyers looking for ready-to-sell stock.



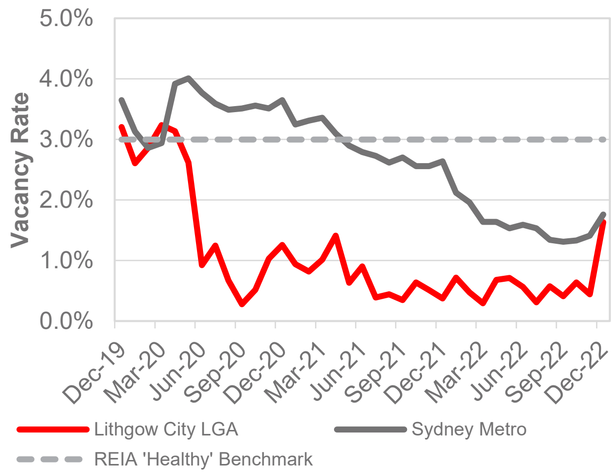
KEY FACTS

House median price (2022)	$500,000
Land median price (2022)	$350,000
Unit median price (2022)	$250,000
Vacancy rate (as of Dec-22)	1.6%
House rental yield (as of Dec-22)	3.3%
Unit rental yield (as of Dec-22)	3.3%
Estimated value of developments in 2023	$824,650,000
Total dwellings set to commence in 2023	127 lots 8 dwellings 4 townhouses
Unemployment rate (as of Sep Quarter 2022)	2.9%
5-year population growth (from ABS ERP 2021)	-2.6% (-173 residents)

AREA SALES & MEDIAN PRICE



VACANCY RATE



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TOP AFFORDABLE MAJOR REGIONAL AREA

GREATER BENDIGO, VIC

Greater Bendigo LGA is an inland region located in the central part of Victoria, and is acclaimed as the state's third largest economy. Further, it is also considered a service and infrastructure centre for central north VIC. In the past 5 years to 2021, Greater Bendigo recorded a population growth of 6.1% (+7018 residents). In the September quarter of 2022, it saw an unemployment rate of 4.2%, which is slightly above VIC's average of 3.8%, but within a normal range. This signals local jobs are remaining resilient, and with more residents choosing to live in the area, it indicates continuous increase for property demand.

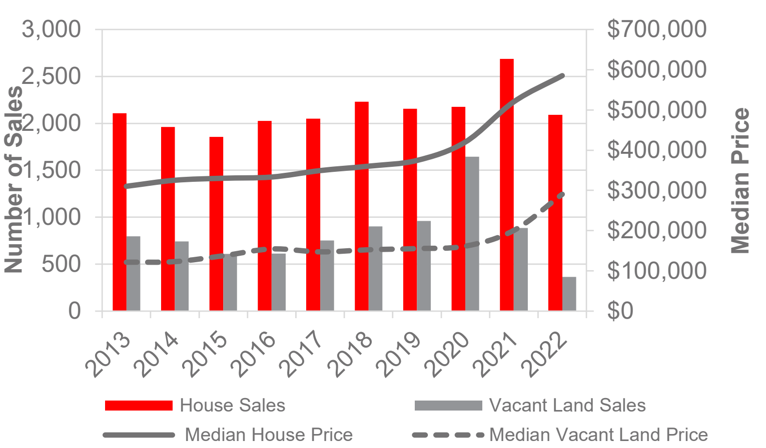
Over the past 10 years (2013-2022), Greater Bendigo LGA experienced significant median price growth for all property types; houses by +88.7%, vacant land by +139.7%, and units by +78.3%. Despite a spike in sales in 2021, by a 10-year comparison the market is undersupplied. Between 2013 and 2022, the number of sales have declined; by -0.9% for houses, -54.5% for land, and 28.7% for units. This suggests that there is some built-in resilience to the potential impact of higher cash rates, with the 10-year trend suggesting any downturn is temporary.

In December 2022, investors in Greater Bendigo LGA benefited from house average rental yields of 4.0%, which sits well above Melbourne Metro (2.7%). Units recorded an average rental yield of 5.4% over the same period, again sitting above Melbourne Metro (4.1%). Further, Greater Bendigo LGA's vacancy rates were recorded at a low 1.2% in December 2022, lower than that of Melbourne Metro (1.7%). With a lower entry price compared to Melbourne Metro and combined with strong rental returns, Greater Bendigo is attractive for investors.

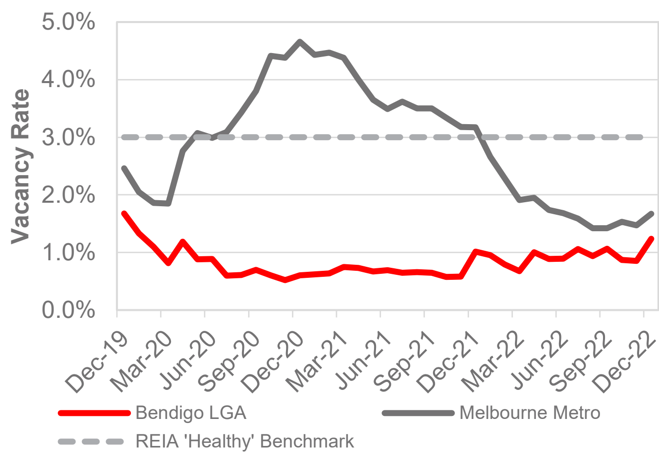
Greater Bendigo LGA is set to see approximately $828.7M* of project development commence throughout 2023, with a predominant focus being commercial ($289.4M*) and infrastructure ($496.7M*) projects. A key focus on commercial projects is ideal for the area, as it signals new businesses, local jobs, and economic growth. 132 lots, 12 dwellings, 27 units and 13 townhouses are planned in 2023, which will answer current demand. However, with Greater Bendigo LGA being one of the fastest growing regions in Victoria, a future undersupply is imminent.

KEY FACTS	
House median price (2022)	$585,000
Land median price (2022)	$290,000
Unit median price (2022)	$410,000
Vacancy rate (as of Dec-22)	1.2%
House rental yield (as of Dec-22)	4.0%
Unit rental yield (as of Dec-22)	5.4%
Estimated value of developments in 2023	$828,668,000
Total dwellings set to commence in 2023	132 lots 12 dwellings 13 townhouses 27 units
Unemployment rate (as of Sep Quarter 2022)	4.2%
5-year population growth (from ABS ERP 2021)	+6.1% (+7018 residents)

AREA SALES & MEDIAN PRICE



VACANCY RATE



*Disclaimer: Estimated value is the value of construction costs as per provided by the relevant data authority, it does not reflect the project's sale/commercial value.
Source: APM Pricefinder, SQM Research, Cordell Database, Australian Bureau of Statistics, Australian Government Department of Jobs and Small Business.

TOP AFFORDABLE MAJOR REGIONAL AREA

GREATER SHEPPARTON, VIC

Greater Shepparton LGA is a rural region located two hours north of Melbourne in the central-north part of VIC. It is well-known and referred to as the food bowl of Australia due to its agriculture industry. Greater Shepparton LGA has experienced a 5-year population growth of 3.9% (+144 residents) to 2021, which signals higher property demand. In the September quarter of 2022, Greater Shepparton saw unemployment of 3.3%, sitting below VIC's average of 3.8%. This is great news for the area as it signals job growth and a healthy economy post COVID-19.

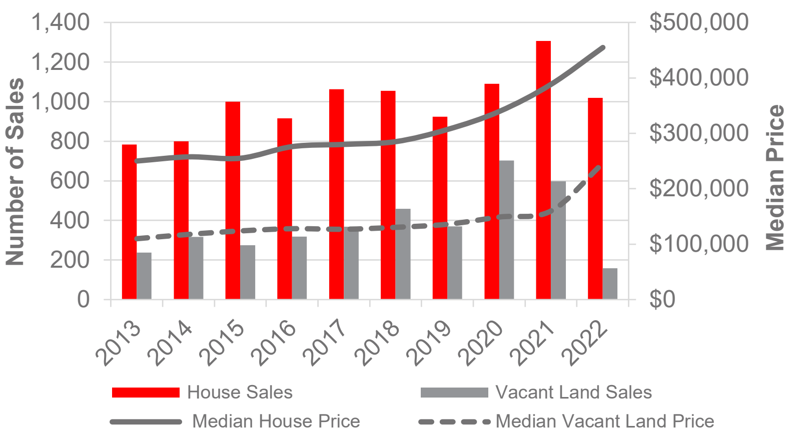
Over the past 10 years (2012-2022), Greater Shepparton LGA experienced strong median price growth for all property types; houses by +82.0%, vacant land by +123.6%, and units by +77.7%. Houses (1019 sales) and units (165 sales) showed a decline in sales volume between 2021 and 2022, however sales grew by 30.1% for houses and 55.7% for units in the past 10 years. The land market has also shown an increase in demand. Greater Shepparton's property market saw an upwards trajectory for the past decade, with an undersupply in 2022.

As of December 2022, investors in Greater Shepparton LGA benefited from average rental yields of 4.9% for houses, which sits well above Melbourne Metro (2.7%). Units recorded an average rental yield of 6.1% over the same period, sitting above Melbourne Metro (4.1%). Further, Greater Shepparton LGA's vacancy rates were recorded at a low 0.7%, which was substantially below Melbourne Metro (1.7%) for the same period. This indicates quicker occupancy of rental properties. With a much lower entry price compared to Melbourne Metro and stronger rental returns, investors are encouraged to enter the market.

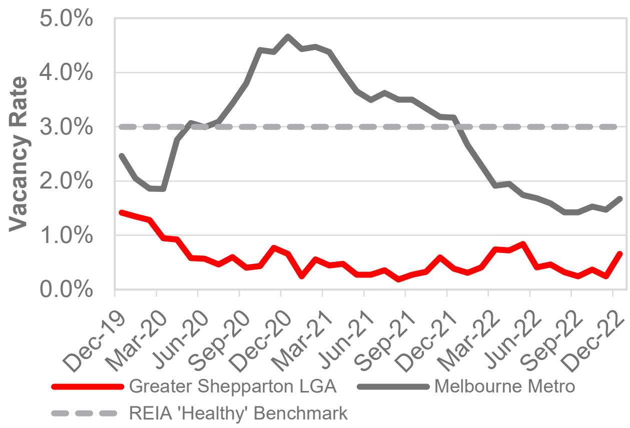
Greater Shepparton LGA is set to see a total of approximately $113.7M* worth of project development commence throughout 2023, with a main focus being commercial projects ($62.9M*). 21 lots, 42 dwellings, 3 units and 12 townhouses are planned in 2023, which will assist with current demand. That said, given the high level of house sales in 2021 and 2022, the amount of ready-to-sell new houses does not fully satisfy the market. In the current high cash rate environment, this creates a buffer. However, it is not sustainable in the long term.

KEY FACTS	
House median price (2022)	$455,000
Land median price (2022)	$246,000
Unit median price (2022)	$335,000
Vacancy rate (as of Dec-22)	0.7%
House rental yield (as of Dec-22)	4.9%
Unit rental yield (as of Dec-22)	6.1%
Estimated value of developments in 2023	$113,374,000
Total dwellings set to commence in 2023	21 lots 42 dwellings 12 townhouses 3 units
Unemployment rate (as of Sep Quarter 2022)	3.3%
5-year population growth (from ABS ERP 2021)	+3.9% (+144 residents)

AREA SALES & MEDIAN PRICE



VACANCY RATE



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TOP AFFORDABLE MAJOR REGIONAL AREA

BALLARAT, VIC

Ballarat LGA is located approx. 1.5 hours drive west of Melbourne city. With a population of approx. 113,482 in 2021, Ballarat is known for its innovative growth and development, boasting the 3rd highest population in Victoria, as well as its Victorian architectural heritage. In the September quarter of 2022, Ballarat recorded a low unemployment rate of 3.8%, sitting on par with the VIC average state benchmark of 3.8%. This suggest economic resilience with local job growth. It also suggests continuous demand for properties and a vibrant real estate market.

Over the past 10 years (2013-2022), Ballarat experienced significant median price growth for all property types; houses by +105.2%, vacant land by +127.2%, and units by +77.7%. 2022 saw the lowest number of sales for houses, softening by -9.3% in the past decade, indicating an undersupply. Interestingly, unit sales grew by 31.3% during the same time frame, which suggests a potential transition in consumer needs. This can potentially create a buffer to increasing cash rates, maintaining price growth (albeit at a lower rate) for the rest of 2023.

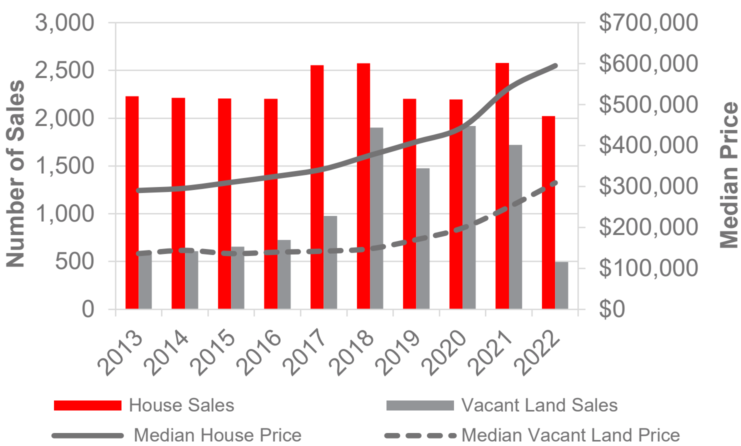
In December 2022, investors in Ballarat LGA benefited from average rental yields of 3.4% for houses, well above Melbourne Metro (2.7%). Units recorded an average rental yield of 4.1%, on par with Melbourne Metro. A low vacancy rate of 1.5% in December 2022 ensures that properties are occupied relatively quickly. Further, the vacancy rate trended within the 2.0% band in the past 24 months, which is beneficial for investors. With a lower entry price compared to Melbourne Metro and superior returns, Ballarat is a strong alternative area for investment.

Ballarat LGA plans to see a total project pipeline of $488.1M* across 2023, with infrastructure development a primary focus ($209.0M*). Infrastructure projects will create new jobs in pre and post-construction phases and improve liveability for residents in the long term. Ballarat LGA plans to see 76 lots, 11 dwellings, 86 units and 70 townhouses added in 2023. This will assist with demand, especially for units, as it is becoming more popular due to the decline in stand-alone house stock.

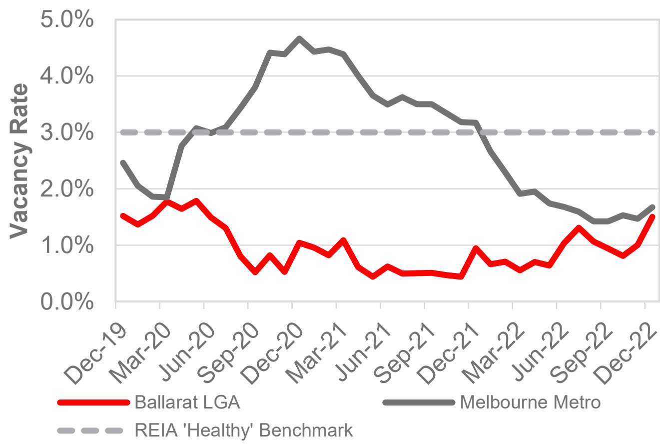
KEY FACTS

House median price (2022)	$595,000
Land median price (2022)	$309,000
Unit median price (2022)	$405,000
Vacancy rate (as of Dec-22)	1.5%
House rental yield (as of Dec-22)	3.4%
Unit rental yield (as of Dec-22)	4.1%
Estimated value of developments in 2023	$488,057,000
Total dwellings set to commence in 2023	76 lots 11 dwellings 70 townhouses 86 units
Unemployment rate (as of Sep Quarter 2022)	3.8%
5-year population growth (from ABS ERP 2021)	-1.4% (-167 residents)

AREA SALES & MEDIAN PRICE



VACANCY RATE



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TOP AFFORDABLE MAJOR REGIONAL AREA

CENTRAL COAST, TAS

Central Coast is a rural LGA in the north of Tasmania, which was home to a population of 23,278 in 2021. Central Highlands LGA's 5-year population growth increased by 5.5% to 2021. The Central Coast boasts the towns of Ulverstone and Penguin, and is home to the Gunns Plains Caves and Leven Canyon. In the 2021 census, Central Coast saw unemployment of 4.6%, sitting below TAS's average of 5.9% for the same period. However, this figure was during the COVID-19 pandemic, and TAS's unemployment now sits at 4.3%

In the past 10 years to 2022, Central Coast LGA saw a significant growth in its housing market, with the median price growing by +102.2%. Land median price grew by +82.6% during this period. House sales saw an overall steady amount between 2017 and 2021, with 2022's sales volume suggesting an undersupply. This is beneficial to homeowners, especially those looking to sell and achieve final sale prices closer to their first list price. As strong level of demand and higher prices in metropolitan areas of TAS have pushed buyers further out, regional areas of the state such as Central Coast LGA are set to benefit.

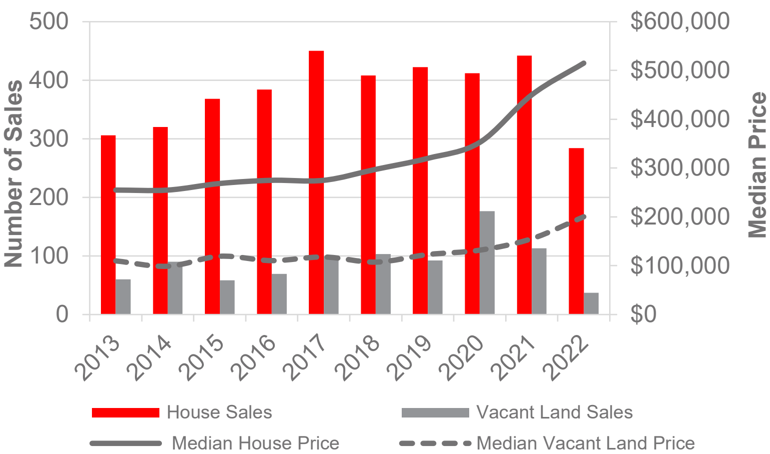
As of December 2022, Central Coast LGA recorded an average house rental yield of 3.4%, which sits below Hobart Metro (4.1% for the same period). The LGA recorded an average unit yield of 4.6%, slightly above that of Hobart Metro's average unit yield of 4.0%. Central Coast LGA boasts an extremely low vacancy rate of just 0.4%, which is below that of Hobart Metro (0.6%). This suggests an extremely tight rental market, and quicker occupancy of rental properties. Central Coast LGA is seen as an attractive regional market due to its lower entry price (compared to Hobart), yet has stronger rental returns.

Throughout 2023, Central Coast LGA plans to see approx. $27.1M* of development, with a predominant focus on residential projects. This is ideal for people looking at moving to Central Coast LGA, as it indicates new available housing stock. Residential projects will improve housing supply, creating more opportunities for local first home buyers.

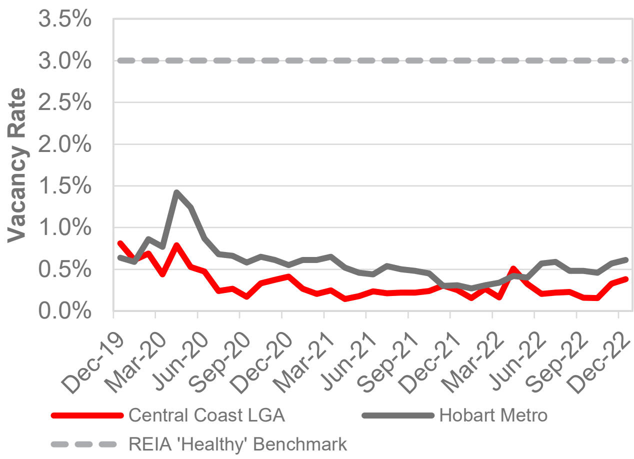
KEY FACTS

House median price (2022)	$515,000
Land median price (2022)	$200,000
Unit median price (2022)	$122,500
Vacancy rate (as of Dec-22)	0.4%
House rental yield (as of Dec-22)	3.4%
Unit rental yield (as of Dec-22)	4.6%
Estimated value of developments in 2023	$27,130,000
Total dwellings set to commence in 2022	48 dwellings 19 units
Unemployment rate (from ABS ERP 2020)	6.0%
5-year population growth (from ABS ERP 2021)	5.5% (147 residents)

AREA SALES & MEDIAN PRICE



VACANCY RATE



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ABOUT PRD RESEARCH

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 RESEARCH 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 RESEARCH 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 & investment return analysis

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