



Lismore Market Update

1st Half 2023



OVERVIEW

In Q1 2023, Lismore* recorded a median house price of \$600,000, and a median unit price of \$485,000. This represents annual (Q1 2022 – Q1 2023) median price softening of -19.8% for houses and a price growth of 7.2% for units. Interestingly on a quarterly (Q4 2022 – Q1 2023) basis median house price softened at a slower pace, of -0.8%. This suggests that cash rate hikes did translate in the market, however confidence has returned. Sales declined by -6.4% (houses) and -56.0% (units) in the past quarter, thus an undersupply of stock. For those seeking a more affordable market, time is of the essence.

	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
Q1 2023



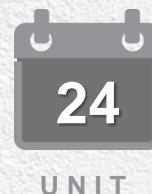
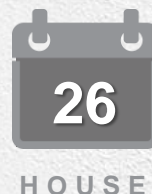
SALES AVERAGE DAYS ON
MARKET Q1 2023



RENTAL MEDIAN PRICE
Q1 2023

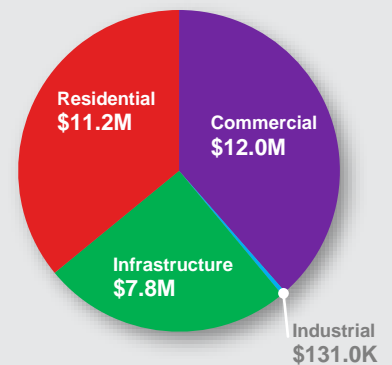


RENTAL AVERAGE DAYS ON
MARKET Q1 2023



FUTURE DEVELOPMENTS

Lismore* is set to see approximately **\$31.1M** worth of new projects commencing in the 1st half of 2023.



These projects will stimulate economic growth and create large employment opportunities in Lismore. This should have a spill-over impact on the real estate market, in the form of more demand for housing stock.

A main commercial project over the 1st half of 2023 is Lismore Rugby Club (\$6.1M). The project will add a new gym, change rooms, kitchen and overall improvements to the existing clubhouse amenities and fields. This project should assist in attracting prospective players to the club and increase community activities, which can lead to local job creation.

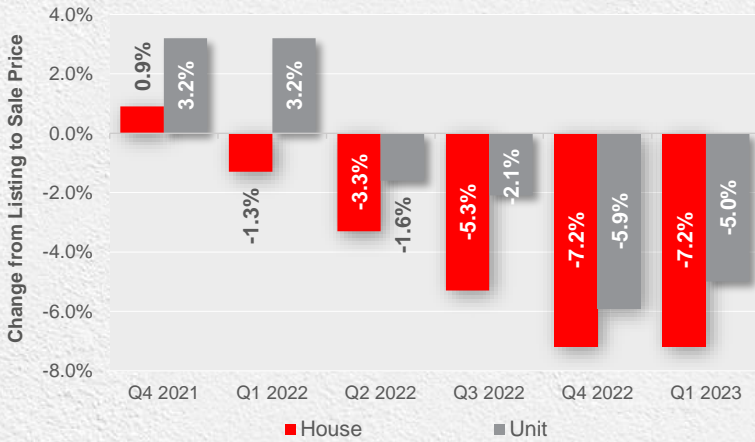
226 Invercauld Road Residential Subdivision (\$11.2M) is the only residential project planned for the 1st half of 2023, adding 203 lots to the Lismore* market.

There is still an absence in ready-to-sell stand-alone dwellings, which suggests an ongoing undersupply issue. Thus the current softening growth in median house price, due to cash rate hikes, is potentially only a temporary occurrence.



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.

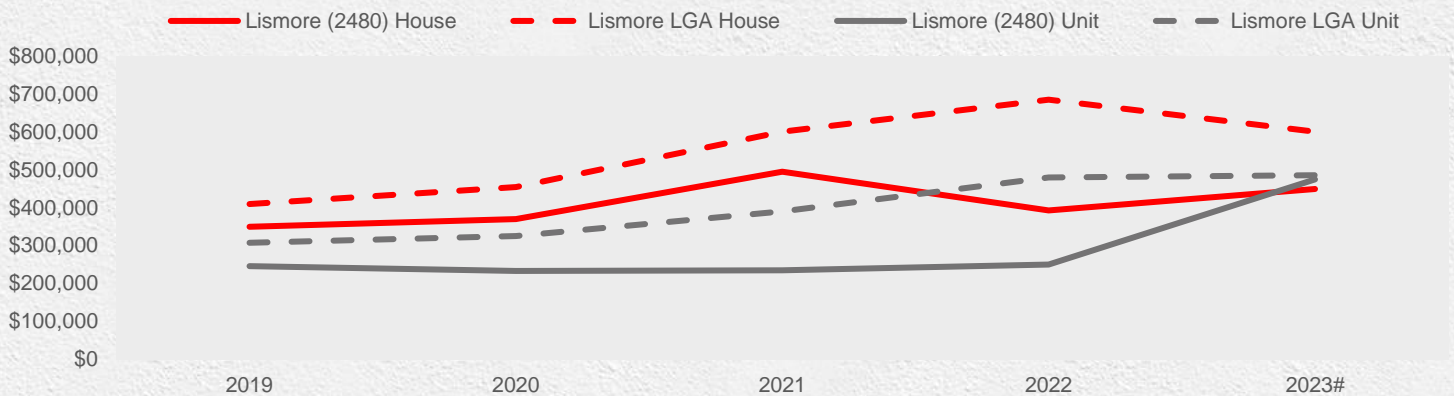


Average vendor discounts between Q1 2022 and Q1 2023 have widened to a higher discount of -7.2% for house and swung (from a premium) to a -5.0% discount for units. Market conditions in Lismore* have now shifted to favour buyers, as vendors are willing to accept below the initial listing price. Now is the time to buy.

The suburb of Lismore has historically offered a more affordable house and unit median prices compared to the wider Lismore Local Government Area (LGA). Early 2023# saw a return to parity for Lismore suburb unit prices, trending relative to LGA prices.

The dominant proportion of homes sold in Lismore* across 2022/23# were in the most affordable price point of less than \$549,000 (39.1%). Interestingly units have recorded a dominant premium price point of \$450,000 and above (44.3%). Affordable options are now more available in the house market, although 22.4% of sales were still in the premium market (\$850,000 and above). This creates an opportunity for first home buyers.

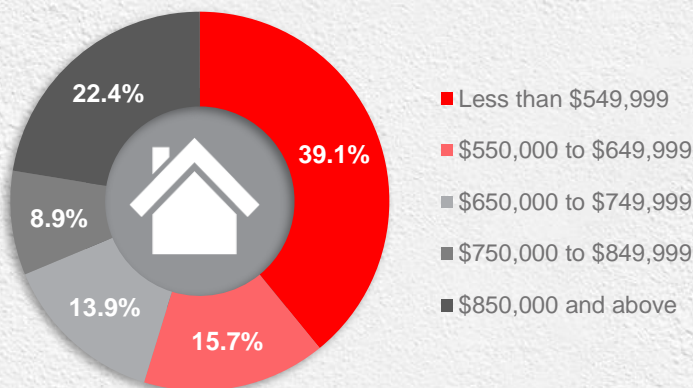
MARKET COMPARISON



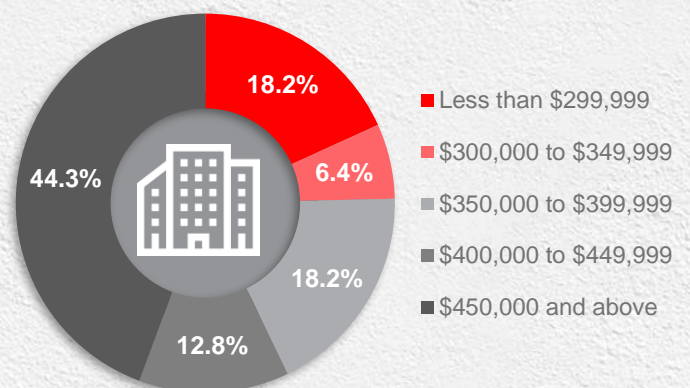
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Lismore.

PRICE BREAKDOWN 2022/23#

HOUSES SOLD



UNITS SOLD

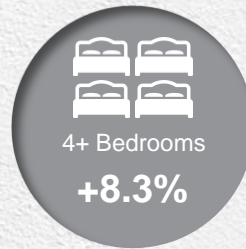


RENTAL GROWTH 2023€

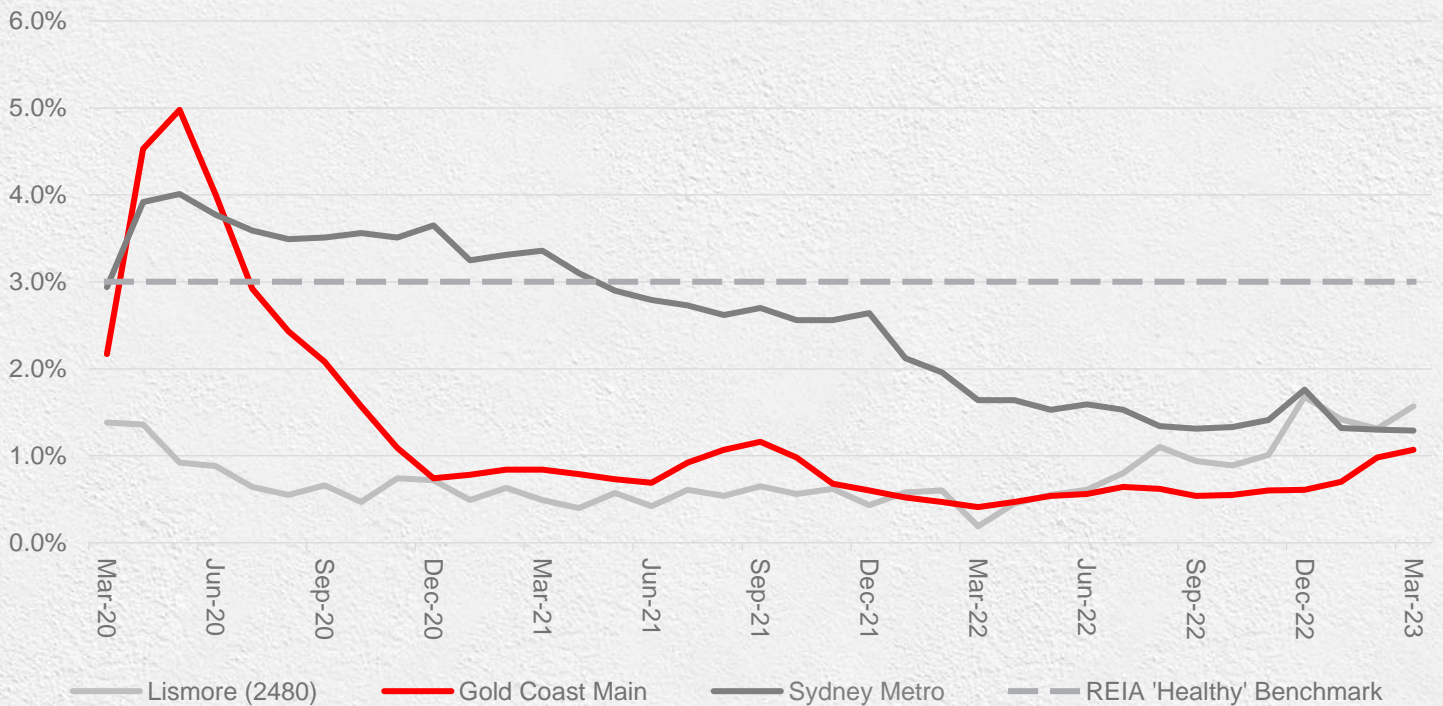
House rental yields in Lismore* 4.2% in March 2023, on par to nearby Gold Coast Main (4.2%) but significantly higher than Sydney Metro (2.9%). Median house rental price have remained stable in the past 12 months to Q1 2023, at \$550 per week, however the number of houses rented have increased (to 320 houses). Median unit rental price growth was 2.6%, at \$390 per week. These indicators suggest a resilient rental market, with a more affordable entry price than Sydney Metro.

4+ bedroom houses have provided investors with +8.3% rental growth annually, achieving a median rent of \$650 per week.

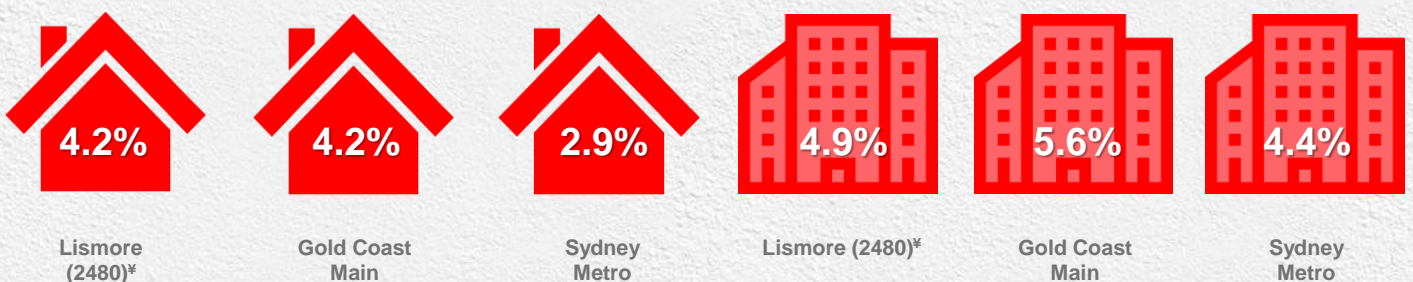
Lismore* recorded a vacancy rate of 1.6% in March 2022, which is slightly above Sydney Metro's 1.3% average. Vacancy rates Lismore* saw a slight spike in the last 6 months, potentially due to investors capitalising on a tight rental market. Yet it is still below the Real Estate Institute of Australia's healthy benchmark of 3.0%. Thus a conducive investment environment, even if confidence has returned to the market and property prices are normalising in the past quarter (Q4 2022 – Q1 2023).



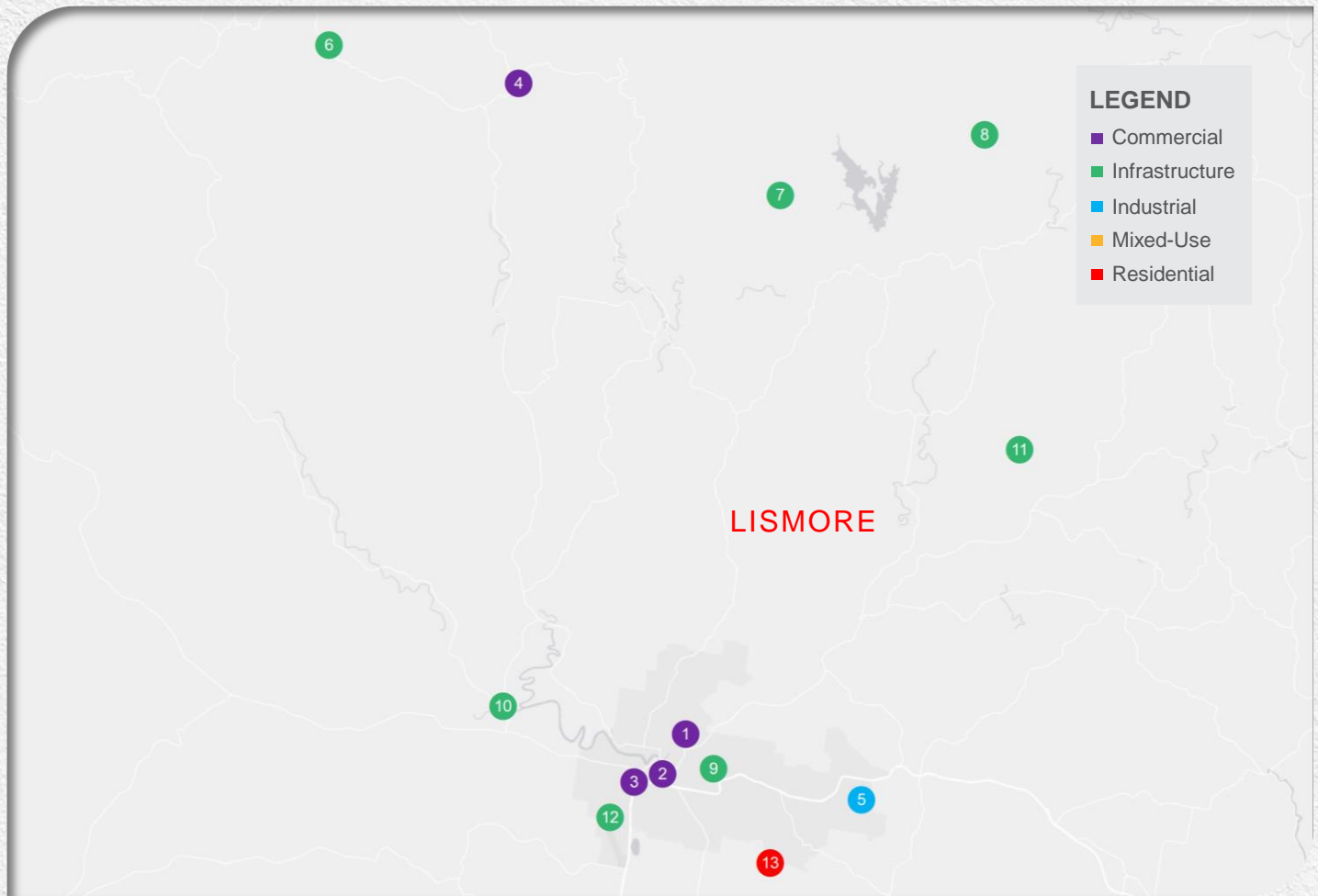
RENTAL VACANCY RATES 2023



RENTAL YIELD 2023\$



TOP DEVELOPMENTS MAP 1st HALF 2023^A



Location	Project [£]	Type	Estimated Value [¥]	Commence Date [¥]
1	Lismore Rugby Club	Commercial	\$6,050,000	14/03/2023
2	Lismore Central Shopping Centre Facade Refurbishment	Commercial	\$3,468,000	13/05/2023
3	135-139 Union Street Service Station	Commercial	\$2,110,000	23/06/2023
4	Nimbin Headers Sports Club	Commercial	\$350,000	05/06/2023
5	27-29 Centenary Drive Warehouse Ongmac Trading	Industrial	\$131,000	25/01/2023
6	Greens Bridge Replacement	Infrastructure	\$3,000,000	27/04/2023
7	Tweed Byron Hinterland Trails Day 3 Walking Track Construction	Infrastructure	\$1,000,000	10/04/2023
8	Tweed Byron Hinterland Trails Day 4 Walking Track Construction	Infrastructure	\$1,000,000	10/04/2023
9	Rotary Park Raised Platform & Bridge Renewal	Infrastructure	\$750,000	26/06/2023
10	Walsh Bridge Replacement	Infrastructure	\$750,000	26/06/2023
11	Ridgewood Bridge Replacement	Infrastructure	\$700,000	26/06/2023
12	Lismore Airport Run Up Bay & Plane Parking Area Upgrade.	Infrastructure	\$600,000	09/05/2023
13	226 Invercauld Road Residential Subdivision (203 Lots)	Residential	\$11,165,000	16/02/2023



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

* Lismore market data and key indicators encapsulates aggregate property market conditions within the suburbs of City of Lismore LGA.

** Estimated values are based on construction value provided by the relevant data authority and does not reflect commercial and/or re-sale value.

2023 encapsulates sales transactions for Quarter 1 (01/01/2023 – 31/3/2023) only.

€ Annual rental growth is a comparison between Quarter 1 2022 (01/01/2022 – 31/3/2022) and Quarter 1 2023 (01/01/2023 – 31/3/2023) house median rent figures.

¥ Lismore rental market data encapsulates aggregate property conditions within postcode 2480.

§ Rental yields shown are as reported as of March 2023.

⌘ 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 suburbs of City of Lismore LGA.

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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