



Tannum Sands Market Update 1st Half 2023



OVERVIEW

In Q1 2023, Tannum Sands* recorded a median house price of \$455,000, and a median unit price of \$277,000. This represents annual (Q1 2022 – Q1 2023) median price growth of 5.8% for houses and -7.7% softening for units. On a quarterly basis (Q4 2022 – Q1 2023), median price softened by -3.2% (house) and -12.8% (units). This reflects cash rate hikes and low consumer confidence translating into the market. Sales decreased annually and quarterly, with Q1 2023 recording the lowest number (65 for houses and 6 for units). There is an undersupply, but at the same time a more affordable market for buyers.

	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



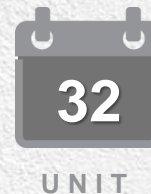
SALES AVERAGE DAYS ON MARKET Q1 2023



RENTAL MEDIAN PRICE Q1 2023

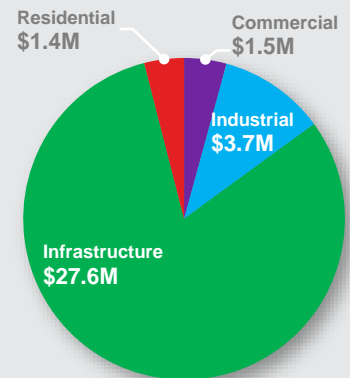


RENTAL AVERAGE DAYS ON MARKET Q1 2023



FUTURE DEVELOPMENTS

Merewether is set to see approximately **\$34.1M** worth of new projects commencing in the 1st half of 2023.



A focus on infrastructure projects will improve liveability for residents and create employment opportunities in the construction phase. This can attract future residents to the area and have a spill-over impact on the real estate market, in the form of higher housing demand.

The 1 Rover and Meegan Roads Industrial Subdivision (\$7.8M) is a significant Government funded infrastructure project that will create expand the industrial sector in the area. Along with privately funded projects this will create more jobs.

The summit at Seaview Heights (\$1.4M) is the only residential project planned to commence in the 1st half of 2023, adding 34 new lots. This creates an opportunity for first home buyers to build.

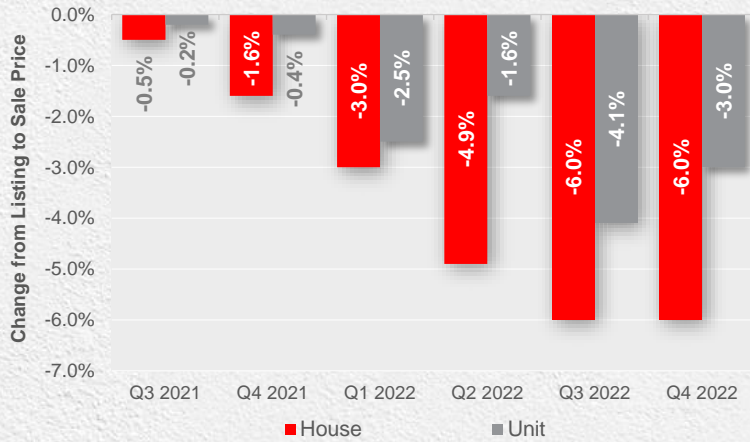
There is still an absence in ready-to-sell stand-alone dwellings, which suggests an ongoing undersupply issue. Thus the current slower rate growth in median house price, due to cash rate hikes, is potentially only a temporary occurrence.



34 Lots

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.

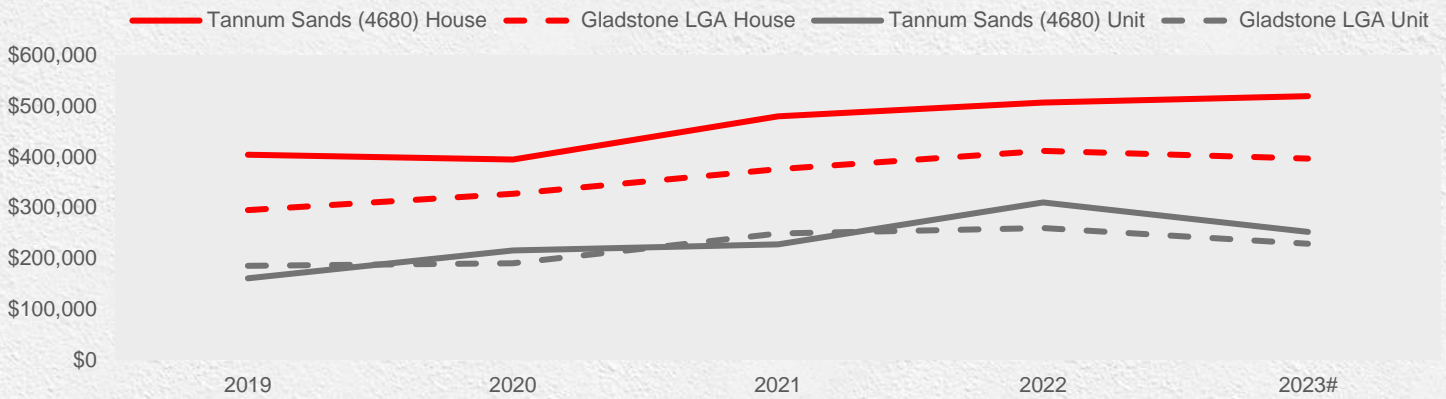


Average vendor discounts between Q1 2022 and Q1 2023 have widened to a higher discount for both property types, of -6.0% for houses and -3.0% for units. Market conditions in Tannum Sands* have now shifted to favour buyers, as vendors are willing to accept below the initial listing price and Q1 2023 recording the highest average vendor discount for houses in the past 18 months.

The suburb of Tannum Sands has historically outperformed the wider Gladstone Local Government Area (LGA) in both house and unit median prices. Early 2023# saw a return to parity for Tannum Sands suburb unit prices, trending relative to LGA prices.

The dominant proportion of homes sold in Tannum Sands* across 2022/23# were in the more affordable price point between \$400,000 - \$499,999 (33.3%). Units recorded a dominant most affordable price point below \$299,000 (40.4%). Affordable options have before more are available, creating an opportunity for buyers. That said the premium market continues to be resilient, more so for units with 28.8% sold at \$450,000 and above.

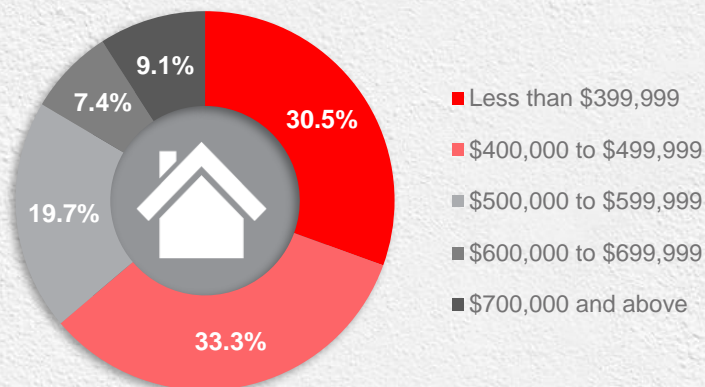
MARKET COMPARISON



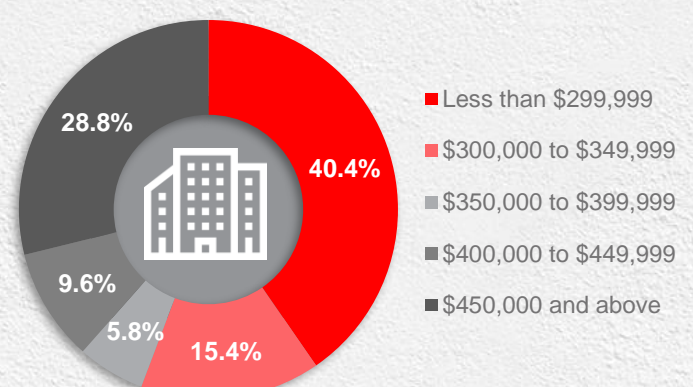
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Tannum Sands.

PRICE BREAKDOWN 2022/23#

HOUSES SOLD



UNITS SOLD



RENTAL GROWTH 2023€

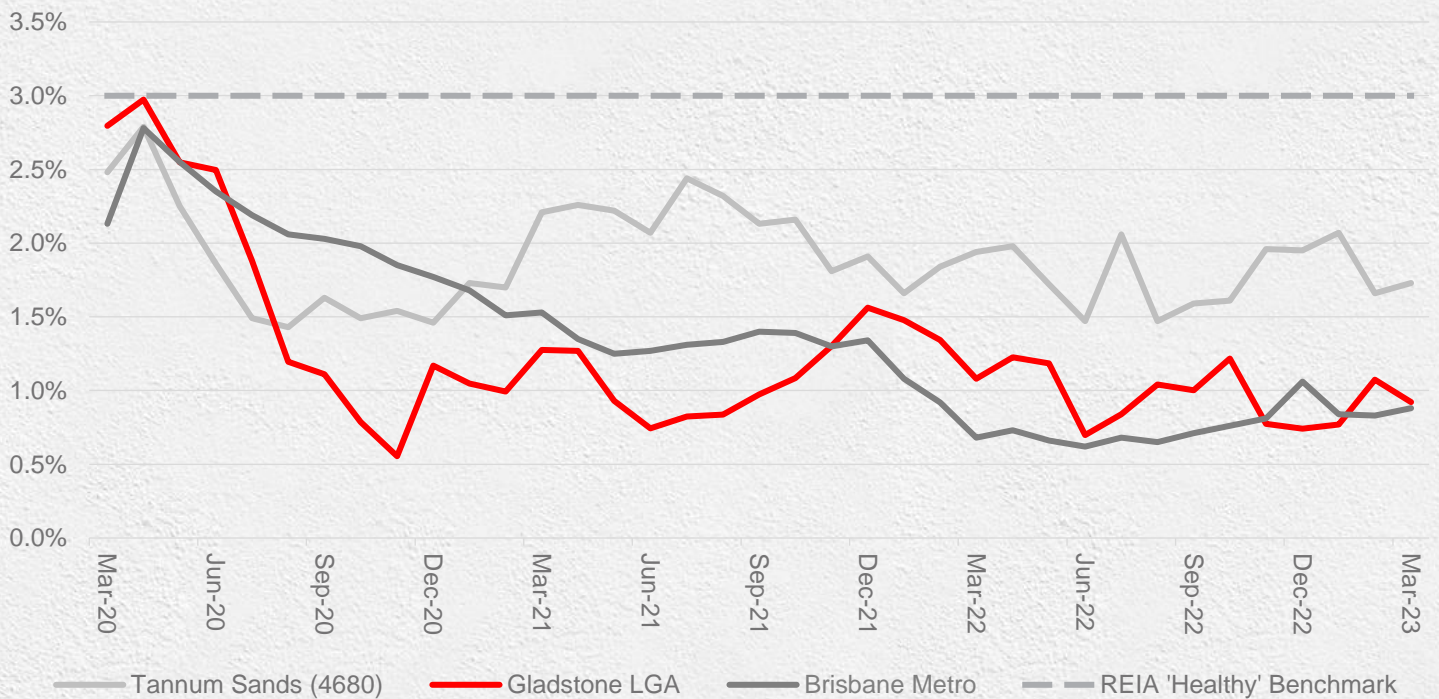
House rental yields in Tannum Sands[‡] was 5.5% in March 2023, much higher than Brisbane Metro (3.7%). This was paired with a 7.1% increase in median house rental price in the past 12 months to Q1 2023 (to \$450 per week) and a -7.0% decline in the number of house rented (to 66 houses). This suggests an undersupply in the house rental market, which is good news for investors. The unit rental market is proving resilient, with median rent price increasing by 25.9% (to \$340 per week).

3 bedroom houses have provided investors with +14.3% rental growth annually, achieving a median rent of \$400 per week.

Tannum Sands[‡] recorded a vacancy rate of 1.7% in March 2022, below the Real Estate Institute of Australia's healthy benchmark of 3.0%. Vacancy rates in Tannum Sands[‡] have fluctuated over the past 12 months, potentially due to investor uncertainty due to cash rate conditions. That said investment key indicators suggest high rental demand, thus a conducive environment for investors. Now is the time to act, as property prices have become more affordable in the past quarter.



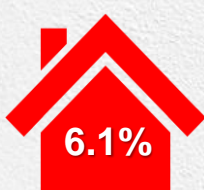
RENTAL VACANCY RATES 2023



RENTAL YIELD 2023\$



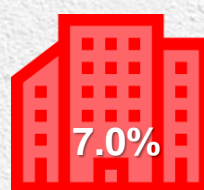
Tannum Sands (4680)[‡]



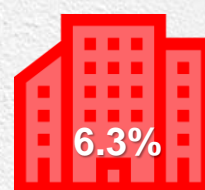
Gladstone LGA



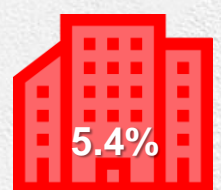
Brisbane Metro



Tannum Sands (4680)[‡]



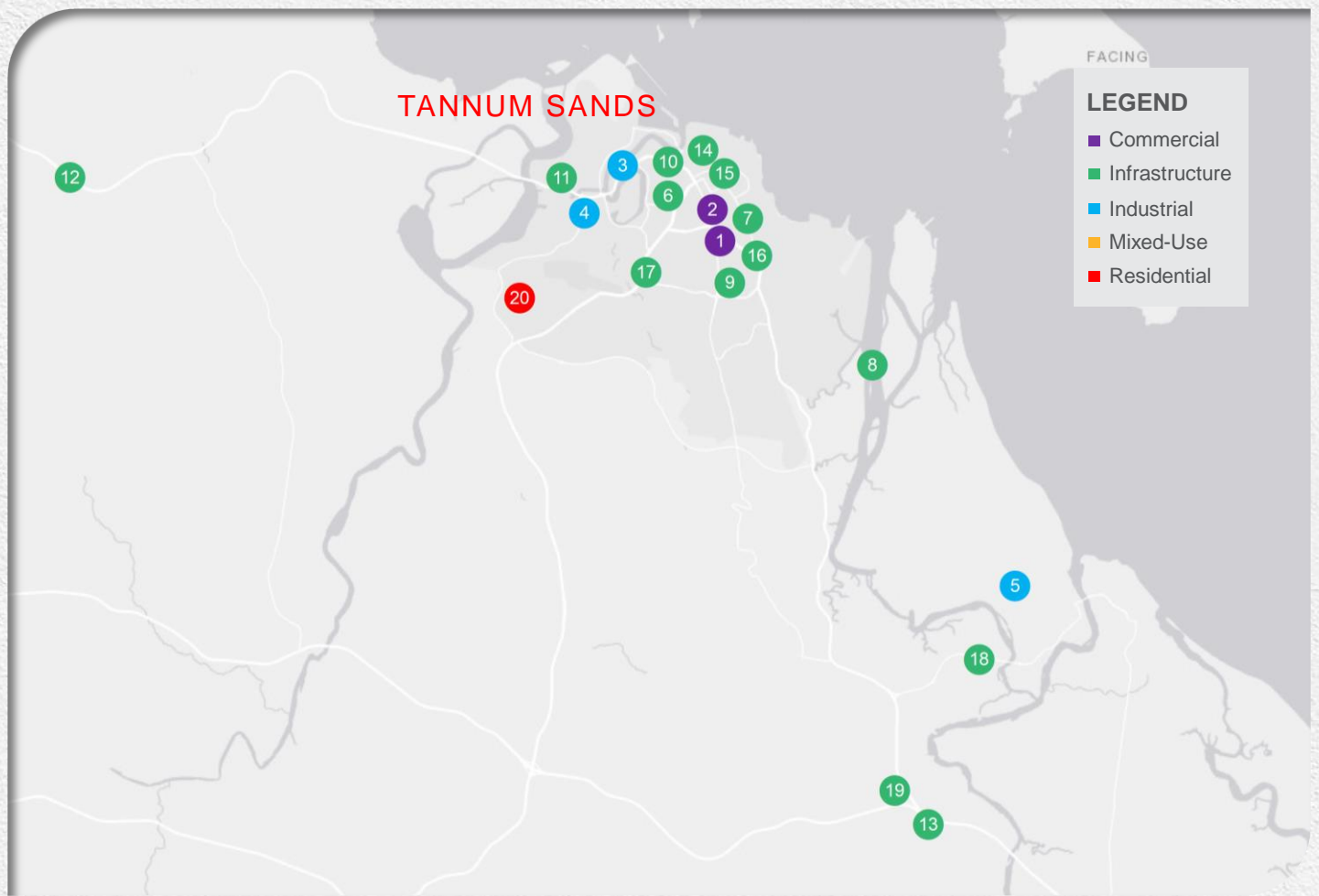
Gladstone LGA



Brisbane Metro



TOP DEVELOPMENTS MAP 1st HALF 2023[▲]



Location	Project [£]	Type	Estimated Value [¥]	Commence Date [▼]
1	Gladstone Bowls Club	Commercial	\$500,000	10/01/2023
2	Gladstone Power Station Demolition Works	Commercial	\$950,000	29/05/2023
3	Warne Street Industrial Building	Industrial	\$550,000	18/01/2023
4	Omega Chemicals Callemondah Chemical Manufacturing Plant	Industrial	\$600,000	15/05/2023
5	Queensland Alumina Limited	Industrial	\$2,500,000	06/02/2023
6	Gladstone Marine Base Pontoon Upgrade	Infrastructure	\$603,000	12/01/2023
7	Gladstone Area Water Board Head Offices	Infrastructure	\$850,000	18/05/2023
8	South Trees Inlet Causeway Bridge	Infrastructure	\$950,000	19/06/2023
9	Gladstone Area Water Board - Roadworks	Infrastructure	\$950,000	29/05/2023
10	Gladstone-fitzroy Pipeline	Infrastructure	\$1,000,000	14/06/2023
11	Lots 1 & 3-5 Red Rover & Lots 2 & 3 Meegan Roads Industrial Subdivision	Infrastructure	\$7,800,000	16/03/2023
12	Aldoga Pipeline Stage 2 Quantity Surveyor	Infrastructure	\$1,000,000	06/06/2023
13	Lake Awoonga Recreation Area	Infrastructure	\$1,000,000	12/04/2023
14	Gladstone Marina Berthing Pontoon & Access Gangway Repairs	Infrastructure	\$1,200,000	13/05/2023
15	Fishermans Landing Wharf Three	Infrastructure	\$1,250,000	05/06/2023
16	Toolooa Street Rising Main Replacement & Pavement Renewal	Infrastructure	\$4,000,000	08/02/2023
17	Gladstone Hospital	Infrastructure	\$5,000,000	23/01/2023
18	Boyne Tannum Memorial Parklands Columbarium Wall	Infrastructure	\$514,000	30/01/2023
19	Awoonga Dam Recreational Area Roadworks	Infrastructure	\$1,000,000	02/05/2023
20	The Summit At Seaview Heights Subdivision Stage B (34 Lots)	Residential	\$1,360,000	20/04/2023



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.



Deardrie Keleher

Principal

M +61 408 566 127

E deardriekeler@prdtannum.com.au



PRD Tannum Sands

P +61 7 4973 7799

PRD.com.au/tannumsands

**Shop 2/93 Hampton Drive
Tannum Sands QLD 4680**

REFERENCES

*Tannum Sands market data and key indicators encapsulates aggregate property market conditions in Tannum Sands, Boyne Island, and Turkey Beach.

** 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.

¥ Tannum Sands market data encapsulates aggregate property conditions within postcode 4680.

§ 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 postcode of 4680.

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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