

PRD. 
REAL ESTATE



Affordable & Liveable Property Guide
Adelaide Metro 2nd Half 2023

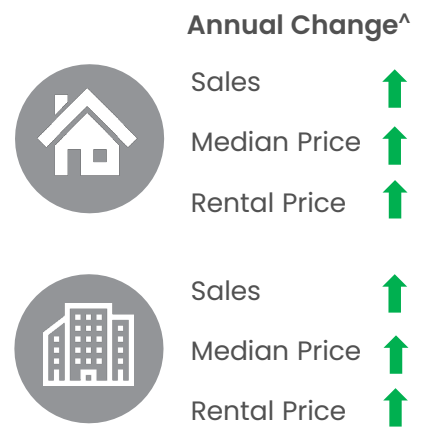


OVERVIEW

Median property prices in Adelaide Metro increased by 8.1% for houses to \$778,000 from Q3 2022 to Q3 2023*, and by 8.9% for units at \$530,000. That said, on a quarterly basis (Q2-Q3 2023) the median house price softened by -1.3%, while units increased at a slower pace of 3.5%. Current market conditions are mostly a reflection of interest rates and lower consumer sentiment starting to fully translate into the market. This is still in contrast to the softening markets of Sydney and Melbourne Metros. Total sales increased annually by 17.4% for houses and 8.9% for units, which when combined with price growth suggests an undersupplied market. \$7.4B of projects are planned across the 2nd half of 2023, with a focus on infrastructure and commercial projects. Future housing supply will consist of mixed-use and residential developments, of which most will be dwellings. The current cash rate environment creates an opportunity for a fairer market for first home buyers.



ADELAIDE METRO



RECENT TOP PERFORMING SUBURBS

Area	Suburb	Type	Median Price 2022	Median Price 2023*	Price Growth	Projects 2023***
Inner	Clarence Park	House	\$980,000	\$1,168,000	19.2%	N/A
	Fullarton	Unit	\$602,500	\$892,000	48.0%	\$3.5M
North	Brahma Lodge	House	\$421,000	\$497,000	18.1%	\$750K
	Greenacres	Unit	\$343,000	\$508,750	48.3%	N/A
South	Onkaparinga Hills	House	\$635,000	\$822,500	29.5%	N/A
	Reynella	Unit	\$347,500	\$394,000	13.4%	N/A
East	Stonyfell	House	\$1,350,000	\$1,600,000	18.5%	\$0
	Morphettville	Unit	\$472,500	\$650,000	37.6%	\$9.1M
West	Somerton Park	House	\$1,200,000	\$1,465,000	22.1%	\$22.9M
	Marleston	Unit	\$415,000	\$642,000	54.7%	\$5.4M

MEDIAN SALE PRICE



MEDIAN RENTAL PRICE

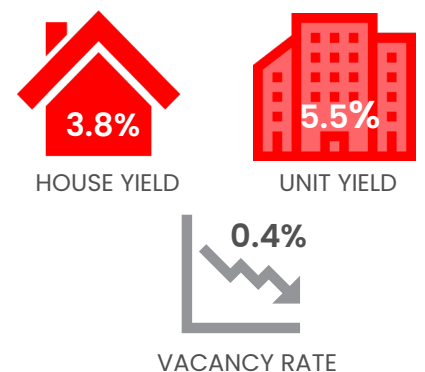


METHODOLOGY

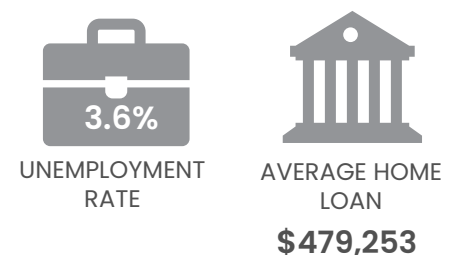
This guide analyses all suburbs within a 20km radius of the Adelaide CBD. The following criteria were considered:

- Property trends** | All suburbs have a minimum of 20 sales transactions for statistical reliability purposes. Based on market conditions suburbs have either positive, or as close as possible to neutral price growth between 2022 to 2023*.
- Investment** | As of September 2023, suburbs considered will have an on-par or higher rental yield than Adelaide Metro, and an on-par or lower vacancy rate.
- Affordability** | Identified affordable and liveable suburbs have a median price below a set threshold. This was determined by adding percentage premiums to the South Australia (SA) average home loan, which was \$479,253** as of Q3 2023. Premiums of 18% for houses and -21.5% for units were added, which were well below those required to reach Adelaide Metro's median prices (62% for houses and 11% for units). This places the chosen suburbs below Adelaide's median prices, meaning that the suburbs identified within this report are more affordable for buyers.
- Development** | Suburbs identified must have a high total estimated value of future project development for 2023, as well as a higher proportion of mixed-use and infrastructure projects. This ensures the suburbs show signs of sustainable economic growth, in turn positively affecting the property market.
- Liveability** | All identified suburbs have low crime rates, availability of amenities within a 5km radius (i.e. schools, green spaces, public transport, shopping centres and health care facilities), and an unemployment rate on-par or lower in comparison to the SA average (as determined by the Department of Jobs and Small Business, June Quarter 2023 release).

BENCHMARKS ADELAIDE METRO

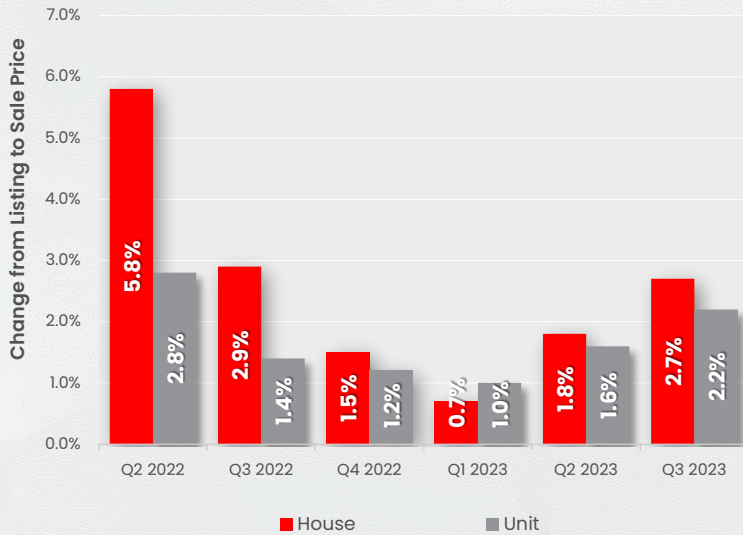


BENCHMARKS SOUTH AUSTRALIA



*Median price quoted captures sale transactions from 1st January 2023 to 30th September 2023, or Q1- Q3 2023. **Average home loan figure is derived from June Quarter 2023 Housing Affordability Report by the Real Estate Institute of Australia (REIA) and Adelaide Bank. ***Project development is based on aggregate of estimated construction value for residential, commercial, industrial, mixed-use and infrastructure projects scheduled to commence in 2023 as stated by the relevant data authority. ^Annual Change is reflective of median price change from Q3 2022 to Q3 2023. Figures displayed in infographics are for the period Q3 2023. Source: APM Pricefinder, REIA, SQM Research, Cordell Connect, Department of Jobs and Small Business. © PRD 2023.

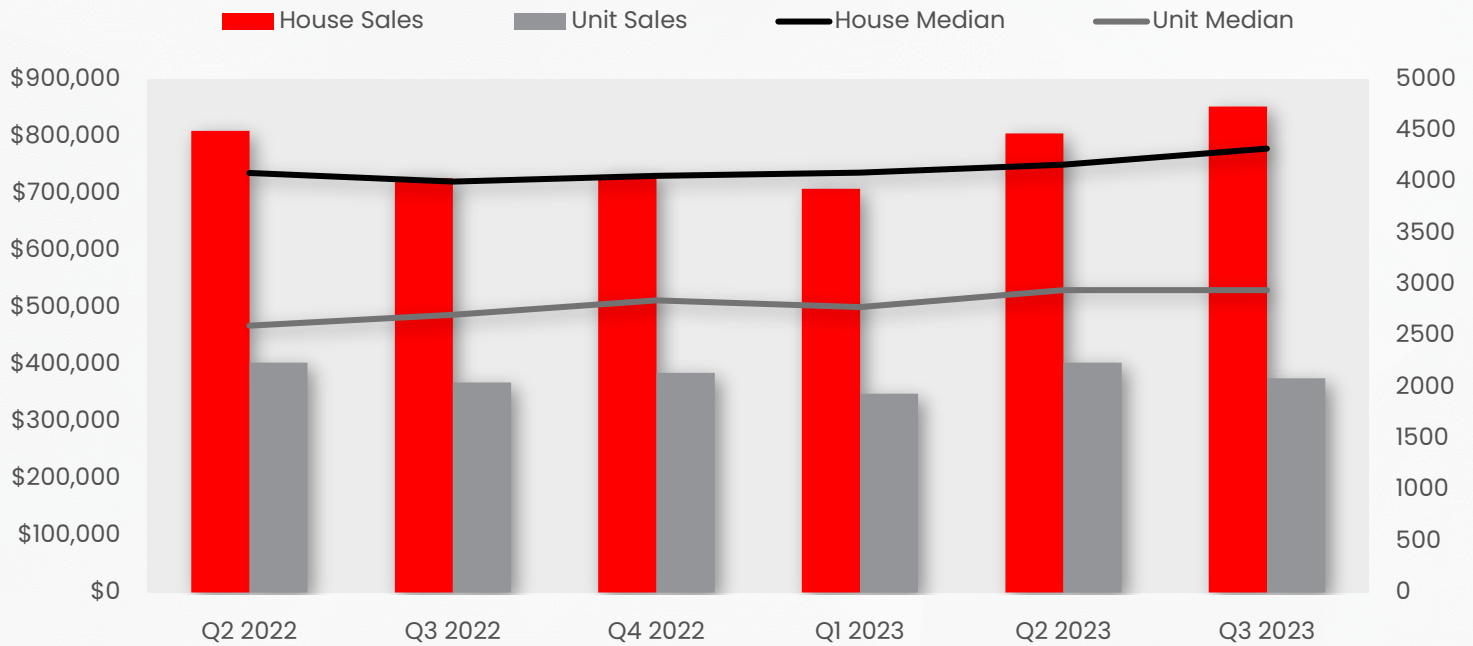
AVERAGE VENDOR DISCOUNT



Average vendor discounts between Q3 2022 and Q3 2023 have continued to trend as a premium, of 2.7% for houses and 2.2% for units. The Adelaide Metro market conditions continue to favour sellers, as buyers must offer above the first list price. There was a slight dip in average vendor premium in late 2022 – early 2023, but Q3 2023 figures suggest a tighter competition for stock. Buyers must act fast, before premiums become higher.

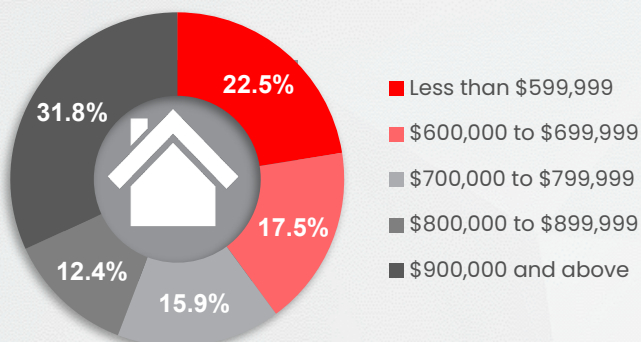
The dominant proportion of homes sold in Adelaide Metro in 2023# were in the premium price bracket of above \$900,000 (31.8%). Meanwhile units recorded a dominant more affordable price bracket of \$350,000 to \$549,999 (40.1%). Interestingly there is almost equal opportunity in the premium and lower pricing bracket for houses, in good news for buyers with different budgets.

MARKET PERFORMANCE

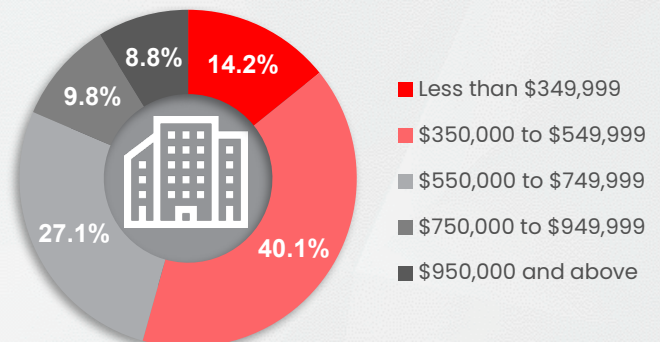


PRICE BREAKDOWN 2023#

HOUSES SOLD

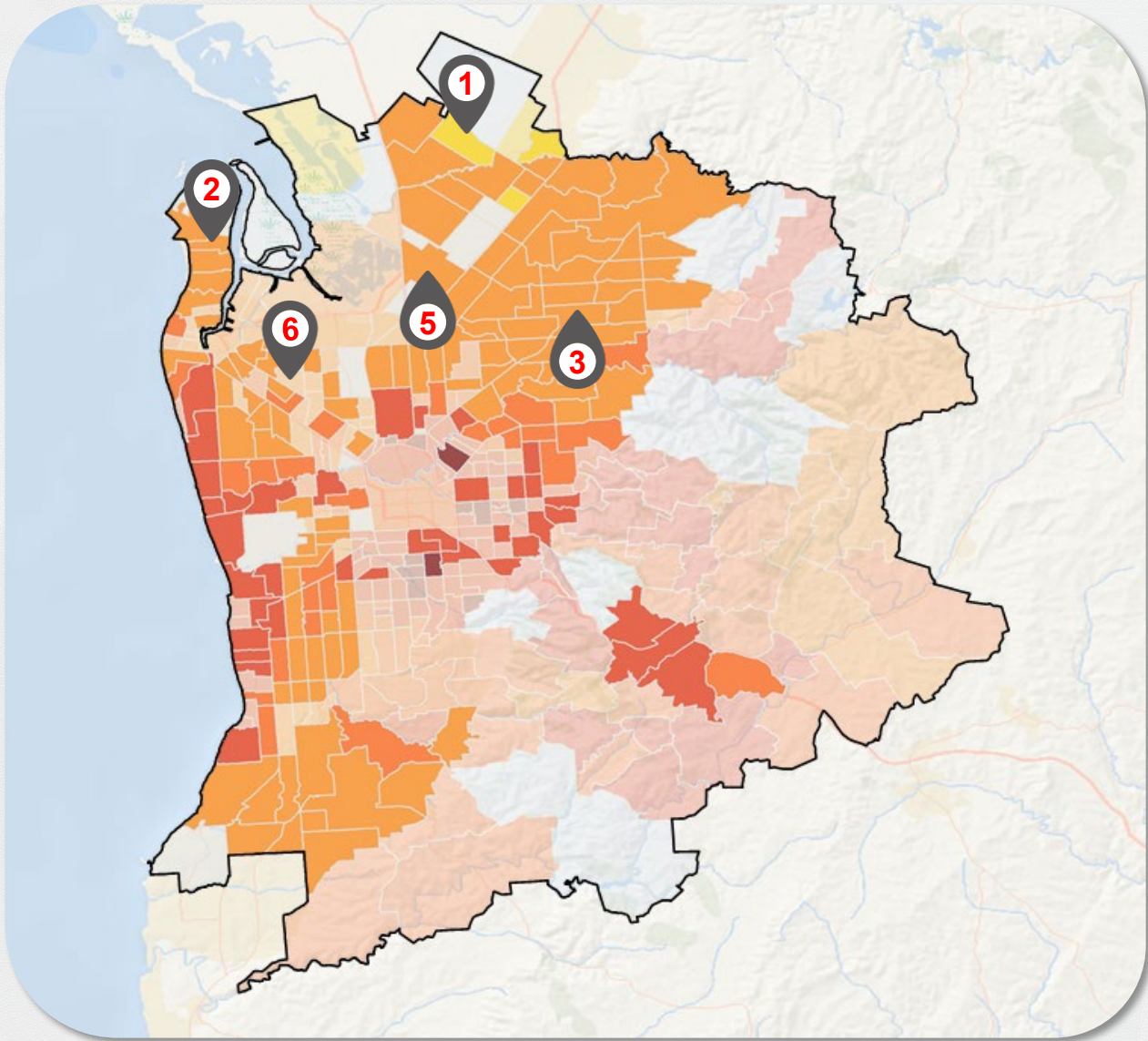


UNITS SOLD



#2023 encapsulates sales transactions for Q1 2023 – Q3 2023 (01/01/2023 – 30/09/2023) only. Source: APM Pricerfinder. © Copyright PRD 2023.

ADELAIDE METRO MEDIAN HOUSE PRICE 2023* 20KM FROM CBD



LEGEND

- Data not available
- \$0 - \$500,000
- \$500,000 - \$800,000
- \$800,000 - \$1,000,000
- \$1,000,000 - \$2,000,000
- \$2,000,000+
- 20km from CBD
- Translucent colours for <20 sales

ADELAIDE AFFORDABLE & LIVEABLE SUBURBS RENTAL YIELD

	Suburb	House		Suburb	Unit
1	Salisbury North	5.0%	1	Salisbury North	5.0%
2	Osborne	3.8%	5	Mawson Lakes	5.1%
3	Modbury	4.3%	6	Woodville North	5.0%

*House median price reflected in the heat-map captures sale transactions from 1st January 2023 to 30th September 2023. Source: APM Pricefinder, ESRI ArcGIS, SQM Research. © PRD 2023.

RENTAL GROWTH 2023 €

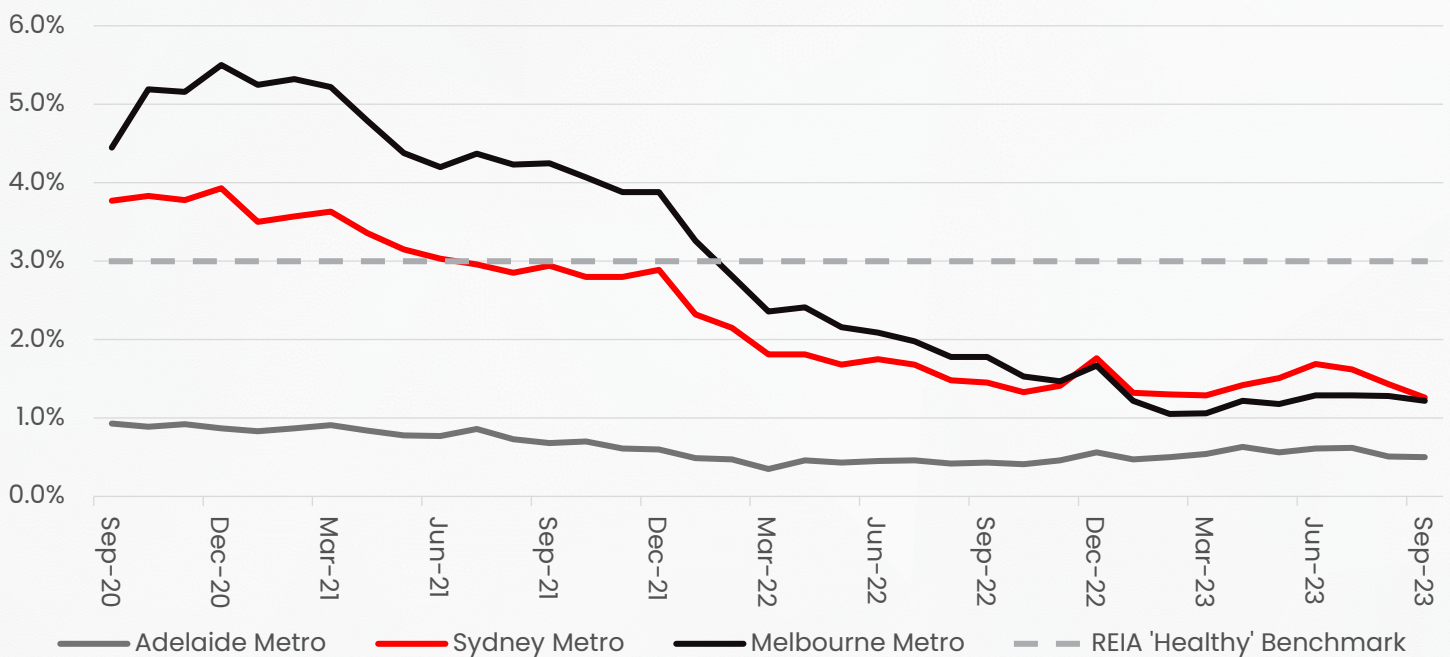
In September 2023, house rental yields in Adelaide Metro were recorded at 3.9%. In the 12 months to Q3 2023, the median house rental price increased by 9.6% to \$570 per week, further complemented with a low average days on the market, of 20 days. The house rental market has continued to show strong growth, which is now more attractive for investment due to the median house price downturn on a quarter-by-quarter basis.

3+ bedroom houses recorded the highest annual rental growth (of +10.0%) to reach \$550 per week. All types of properties have recorded positive rental growth in the past 12 months, due to a supply shortage.

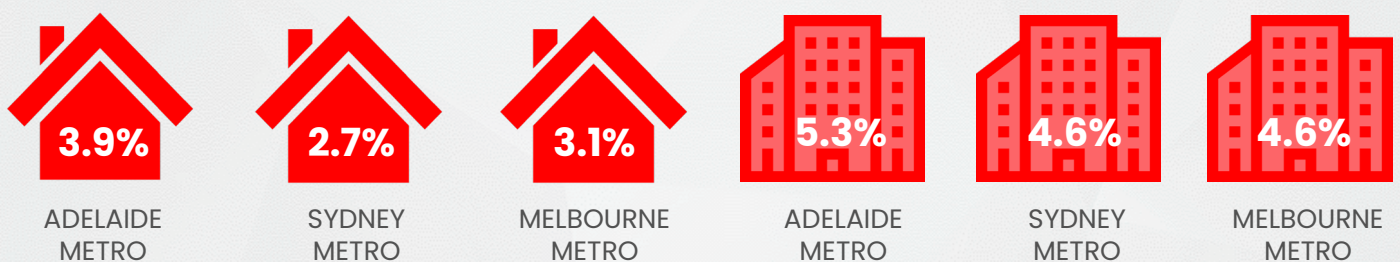
In September 2023, Adelaide Metro recorded a low vacancy rate of 0.5%, which is well below Sydney Metro (1.3%) and Melbourne Metro (1.2%). Vacancy rates in Adelaide Metro remained well below the Real Estate Institute of Australia's healthy benchmark of 3.0%. Adelaide Metro's vacancy rate continues to show a steady trend since September 2020, showcasing historical low trends in the past 24 months. This indicates quicker rental occupancy and security in income cash flow. With the return of international migration into Adelaide Metro, now is the time to invest.



RENTAL VACANCY RATES 2023



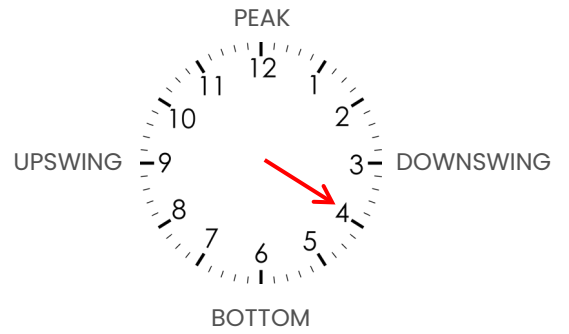
RENTAL YIELD 2023§



€ Annual rental growth is a comparison between Q3 2022 – Q3 2023 (01/07/2022 – 30/09/2023) house median rent figures. § Rental yields shown are as reported at September 2023. Source: APM Pricefinder, SQM Research. © Copyright PRD 2023.



HOUSES
PROPERTY CLOCK

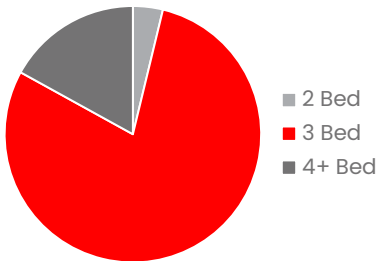


AFFORDABLE & LIVEABLE SUBURBS FOR HOUSES



SALISBURY NORTH
5108

Located approximately **25.0km** from the Adelaide CBD.



■ 2 Bed
■ 3 Bed
■ 4+ Bed

Median House Price **\$435,000**
2 Bed Median Price **\$327,500***
3 Bed Median Price **\$440,000**
4+ Bed Median Price **\$488,000***

Annual Median Price Growth 11.5%**

Vacancy Rate (Sep-23) 0.2%

Rental Yield (Sep-23) 5.0%

Key Amenity (5km) Salisbury High School

Total Projects (\$) \$12.1M[^]

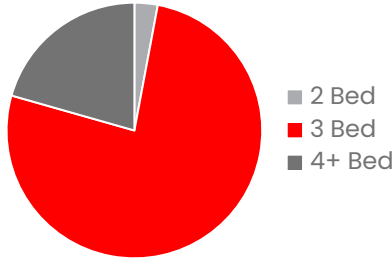
Key Project Holstein Drive & Hissar Avenue Dwellings (7.0M, 28 units)

Unemployment Rate 8.3%



OSBORNE
5017

Located approximately **21.0km** from the Adelaide CBD.



■ 2 Bed
■ 3 Bed
■ 4+ Bed

Median House Price **\$550,000**
2 Bed Median Price **\$535,000**
3 Bed Median Price **\$547,000**
4+ Bed Median Price **\$685,000**

Annual Median Price Growth 13.4%**

Vacancy Rate (Sep-23) 0.2%

Rental Yield (Sep-23) 3.8%

Key Amenity (5km) Lefevre Community Stadium

Total Projects (\$) \$20.8M[^]

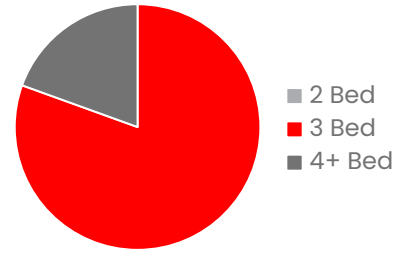
Key Project Navy Establishment Osborne Building Works

Unemployment Rate 6.2%



MODBURY
5092

Located approximately **14.0km** from the Adelaide CBD.



■ 2 Bed
■ 3 Bed
■ 4+ Bed

Median House Price **\$600,000**
2 Bed Median Price **N/A**
3 Bed Median Price **\$595,000**
4+ Bed Median Price **\$640,000**

Annual Median Price Growth 5.8%**

Vacancy Rate (Sep-23) 0.7%

Rental Yield (Sep-23) 4.3%

Key Amenity (5km) Westfield Tea Tree Plaza

Total Projects (\$) \$108.5M[^]

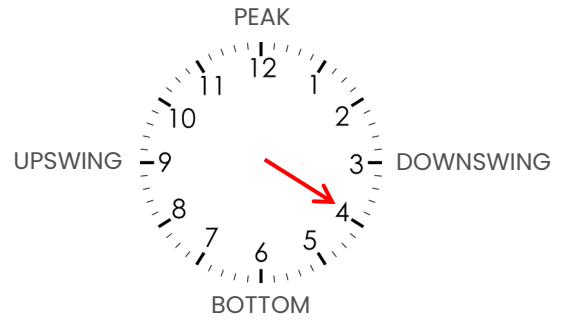
Key Project Modbury Hospital Mental Health Unit (92.0M)

Unemployment Rate 3.2%

[^]Quoted estimated values of projects are based on reported land/construction values as stated by the relevant data authority and do not signify their commercial/resale value. *Median price is quoted as an indication only due to having less than 20 sales transactions. **Median price growth quoted captures sale transactions from 1st January 2023* to 30st September 2023, or Q3 2022 – Q3 2023. Source: APM Pricefinder, SQM Research, Cordell Connect, Department of Small Jobs and Business, Google Maps. © PRD 2023.



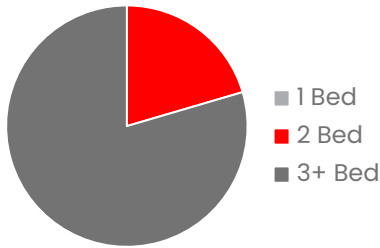
UNITS
PROPERTY CLOCK



AFFORDABLE & LIVEABLE SUBURBS FOR UNITS

SALISBURY NORTH
5108

Located approximately **25.0km** from the Adelaide CBD.



Median House Price **\$327,000**
1 Bed Median Price **N/A**
2 Bed Median Price **\$300,000***
3+ Bed Median Price **\$350,000***

Annual Median Price Growth 12.4%**

Vacancy Rate (Sep-23) 0.2%

Rental Yield (Sep-23) 5.0%

Key Amenities (5km) Salisbury High School

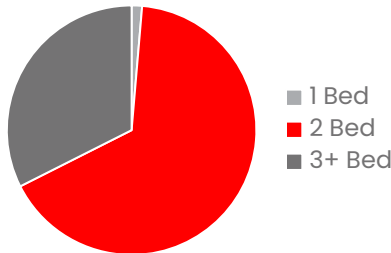
Total Projects (\$) \$12.1M^

Key Project Holstein Drive & Hissar avenue Dwellings (7.0M, 28 units)

Unemployment Rate 8.3%

MAWSON LAKES
5095

Located approximately **15.0km** from the Adelaide CBD.



Median House Price **\$370,000**
1 Bed Median Price **\$302,500**
2 Bed Median Price **\$351,350**
3+ Bed Median Price **\$494,500***

Annual Median Price Growth 10.6%**

Vacancy Rate (Sep-23) 0.0%

Rental Yield (Sep-23) 5.1%

Key Amenities (5km) University of South Australia

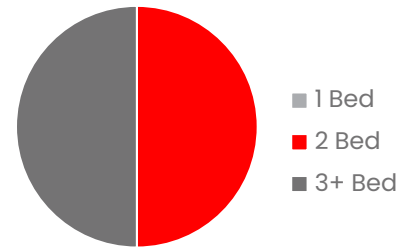
Total Projects (\$) \$253.6M^

Key Project DCI Data Centre Mawson Lakes – ADL03

Unemployment Rate 5.3%

WOODVILLE NORTH
5012

Located approximately **10.0km** from the Adelaide CBD.



Median House Price **\$397,500**
1 Bed Median Price **N/A**
2 Bed Median Price **\$365,750**
3+ Bed Median Price **\$495,000***

Annual Median Price Growth 5.3%**

Vacancy Rate (Sep-23) 0.2%

Rental Yield (Sep-23) 5.0%

Key Amenities (5km) Ngutu College

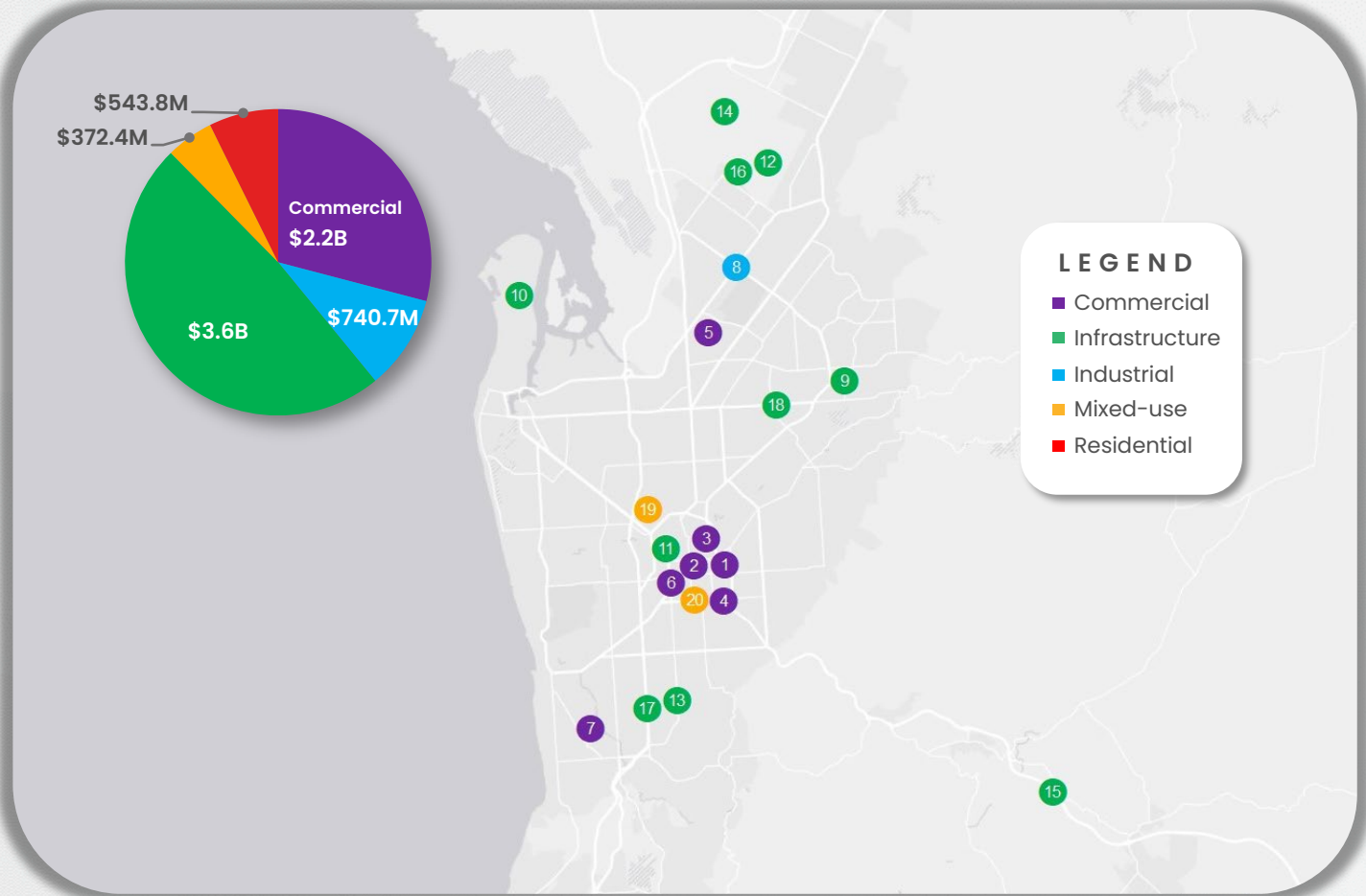
Total Projects (\$) \$41.7M^

Key Project Storage King Woodville North Alterations & Additions Stage 1 & 2 (6.3M)

Unemployment Rate 7.1%

^Quoted estimated values of projects are based on reported land/construction values as stated by the relevant data authority and do not signify their commercial/resale value. *Median price is quoted as an indication only due to having less than 20 sales transactions. **Median price growth quoted captures sale transactions from 1st January 2022 to 30st September 2023, or Q1 2022 – Q3 2023. Source: APM Pricerfinder, SQM Research, Cordell Connect, Department of Small Jobs and Business, Google Maps. © PRD 2023.

PROJECT DEVELOPMENT MAP 2023*



Location	Project [£]	Type	Estimated Value ^µ	Suburb
1	270, 282 & 300-300 Former Calvary Wakefield Hospital Site Medical Precinct	Commercial	\$70,000,000	Adelaide
2	Trinity City	Commercial	\$450,000,000	Adelaide
3	27-29 Twin Street Student Accommodation	Commercial	\$80,000,000	Adelaide
4	204 Greenhill Road Eastwood Private Hospital	Commercial	\$90,000,000	Eastwood
5	DCI Data Centre Mawson Lakes - ADL03	Commercial	\$100,000,000	Mawson lakes
6	50 Franklin Street Office Building	Commercial	\$100,000,000	Adelaide
7	Oaklands Park Residential Redevelopment - Oaklands Green	Commercial	\$135,000,000	Oaklands Park
8	Noumed Pharmaceuticals Manufacturing Facility	Industrial	\$85,000,000	Salisbury South
9	Modbury Hospital Mental Health Unit	Infrastructure	\$92,000,000	Modbury
10	Navy Establishment Osborne Building Works	Infrastructure	\$100,000,000	Osborne
11	North-South Corridor	Infrastructure	\$1,500,000,000	Darlington
12	Edinburgh Defence Precinct Mid Term Refresh & Relocation Works	Infrastructure	\$135,000,000	Edinburgh
13	Nexus Repatriation Hospital	Infrastructure	\$140,000,000	Daw park
14	Land 19 Phase 7b Short Range Air Defence - RAAF Edinburgh Upgrade	Infrastructure	\$210,000,000	Edinburgh
15	Hahndorf Township Improvements & Access Road	Infrastructure	\$250,000,000	Hahndorf
16	RAAF Base Tindal & RAAF Base Edinburgh	Infrastructure	\$250,000,000	Edinburgh
17	Tonsley Park Redevelopment Residential Precinct Parcel A	Infrastructure	\$350,000,000	Clovelly Park
18	Oakden Land Development	Infrastructure	\$75,000,000	Oakden
19	Lots 49 & 50 Third Street Build to Rent Development	Mixed-use	\$75,000,000	Bowden
20	Victoria Tower Mixed Use Development Adelaide	Mixed-use	\$120,000,000	Adelaide

* Project development map showcases a sample of upcoming projects only, due to accuracy of addresses provided by the data provider for geocoding purposes. £ Top Projects are based on suburbs located within a 20km radial distance of the Adelaide CBD. µ Estimated value is the value of construction costs provided by relevant data authority, it does not reflect the project's sale/commercial value. Source: Cordell Connect database, ESRI ArcGIS. © PRD 2023.

ABOUT PRD'S RESEARCH DIVISION

PRD's property research division provides reliable and unbiased data, insights and consultancy to clients in both 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.

KNOWLEDGE

Access to accurate and objective research is the foundation of all good property decisions. PRD shares on-the-ground experience and decades of knowledge to deliver innovative and effective solutions to our clients.

We take a holistic approach and 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 facts.

PEOPLE

Our in-house research team is skilled in deriving macro and micro quantitative information from multiple credible sources, so we can ensure we provide strategic advice and financially sound direction regarding property and market performance.

RESEARCH SERVICES

Our research services span over every suburb, Local Government Area, and state within Australia. 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.

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Our services include:

- Advisory & consultancy
- Market analysis including profiling & trends
- Primary qualitative & quantitative research
- Demographic & target market analysis
- Geographic information mapping
- Project analysis including product & pricing recommendations
- Rental & investment return analysis



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