



# Lismore Market Update

## 2<sup>nd</sup> Half 2023



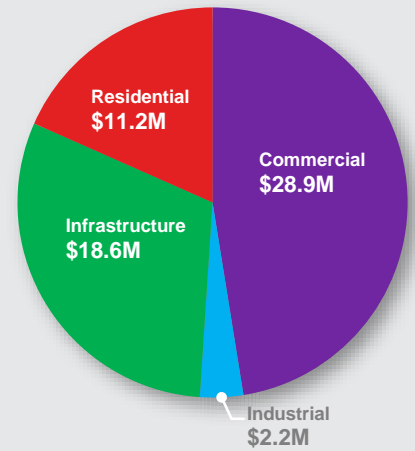
### OVERVIEW

In Q3 2023, Lismore\* (which in this report represents data for Lismore Local Council) recorded a median house price of \$528,000 and a median unit price of \$410,000. This is an annual (Q3 2022 – Q3 2023) softening of -12.1% for houses and -17.6% for units. Sales increased between Q3 2022 – Q3 2023, by 29.0% (to 200 sales) for houses and by 13.8% for units (to 33 sales). This reflects higher interest rates and changing economic conditions translating into the market, as prices have softened even as demand increased. Softer prices create opportunities for buyers who have been waiting to enter the market.

|  | CHANGE FROM LAST | YEAR | HALF YEAR |
|--|------------------|------|-----------|
|   |                  |      |           |
| House Sales  |                  | ↑    | ↑         |
| House Median Price   |                  | ↓    | ↓         |
| House Rental Price   |                  | ↔    | ↓         |
|  |                  |      |           |
| Unit Sales   |                  | ↑    | ↑         |
| Unit Median Price  |                  | ↓    | ↓         |
| Unit Rental Price  |                  | ↓    | ↓         |

### FUTURE DEVELOPMENTS

Lismore is set to see approximately **\$61M** worth of new projects commencing in the 2<sup>nd</sup> half of 2023.



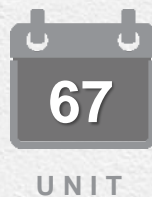
Infrastructure and commercial projects will stimulate economic growth and create large employment opportunities in Lismore. This will have a spill-over impact on real estate, in the form of more demand for housing stock.

### MARKET CONDITIONS

SALES MEDIAN PRICE  
Q3 2023



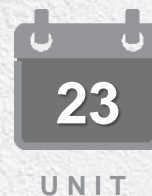
SALES AVERAGE DAYS ON  
MARKET Q3 2023



RENTAL MEDIAN PRICE  
Q3 2023



RENTAL AVERAGE DAYS ON  
MARKET Q3 2023



The main commercial project in the 2nd half of 2023 is the Lismore Workers Club (\$15.5M). Combined with other commercial projects and a long list of infrastructure projects the Lismore area will be revitalised. This can create more local jobs and attract more people to the area.

The Pineapple Road Precinct (\$11.2M) is the largest residential development planned, adding 300 lots. In total, spread across several projects, there is a total of 600 lots.

That said there is still an absence in ready-to-sell stand-alone dwellings in the supply pipeline. This suggests an ongoing undersupply issue, as demand continue to grow. Thus, the current softening in median house price, due to cash rate hikes, is potentially a temporary occurrence.

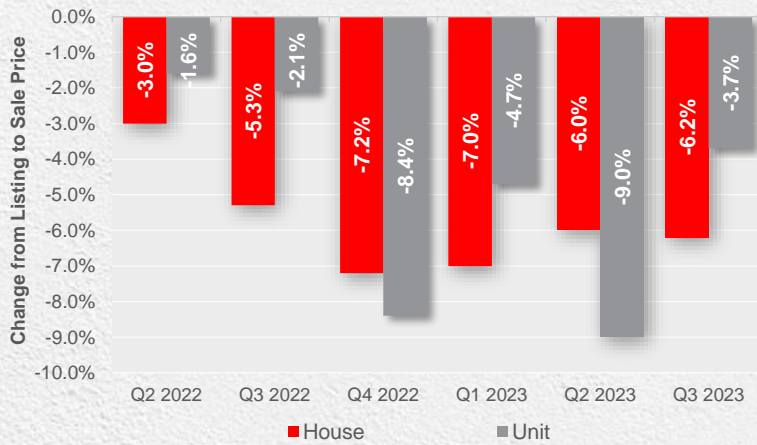


600 Lots

# 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.

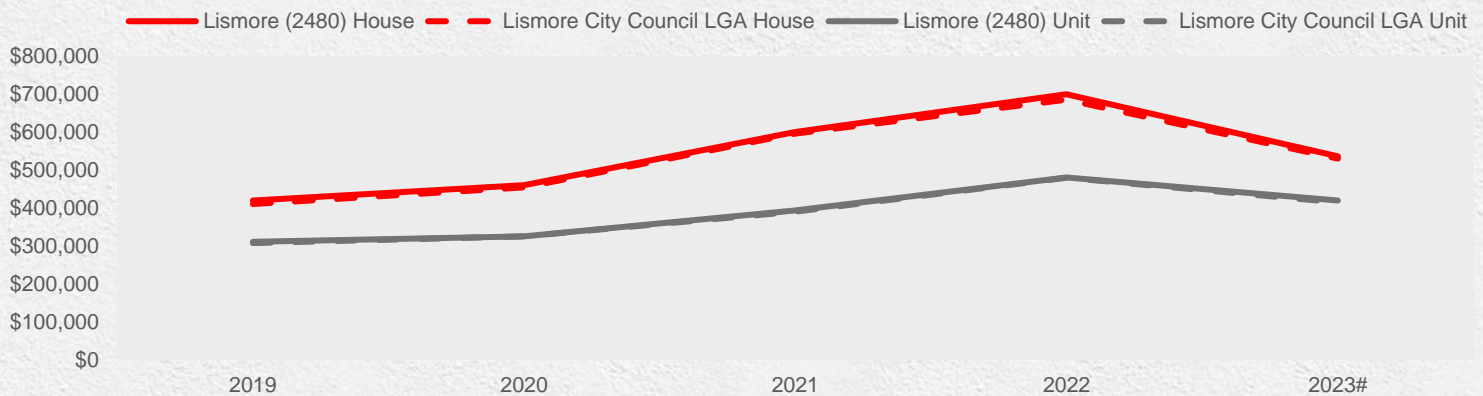
Average vendor discounts between Q3 2022 and Q3 2023 have widened to a higher discount, of -6.2% for houses and -3.7% for units. The market continues to favour buyers, as vendors are willing to accept below the first list price. Now is the time to enter the market.



The wider Lismore City Council LGA has historically performed similarly with the suburb of Lismore in both house and unit median prices. 2023# has seen this continue, with both markets seeing a softening in price and travelling a similar growth pattern.

The dominant proportion of homes sold in Lismore across 2023# were in the premium price point of above \$600,000 (43.4%). Units also recorded a dominant high price range, of \$500,000 (32.3%) and above. There was a higher volume of sales in the lowest (under \$299,999) and second lowest (\$300,000-\$399,999) price brackets, making up 33.7% of house sales and 43.5% of unit sales. This is due to the increased number of post-flood buy-backs and thus not the norm for Lismore\*.

## MARKET COMPARISON

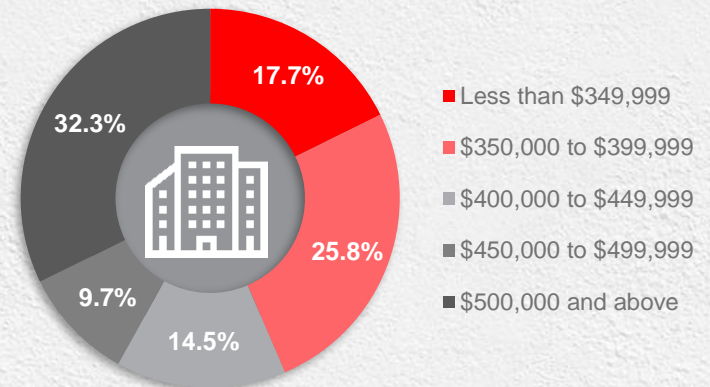
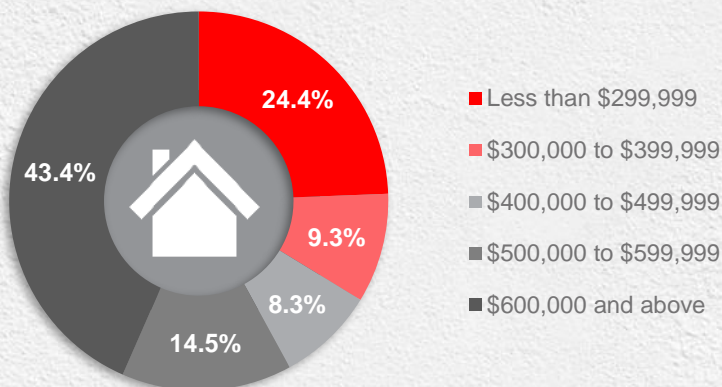


The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Lismore.

## PRICE BREAKDOWN 2023#

### HOUSES SOLD

### UNITS SOLD



# RENTAL GROWTH 2023€

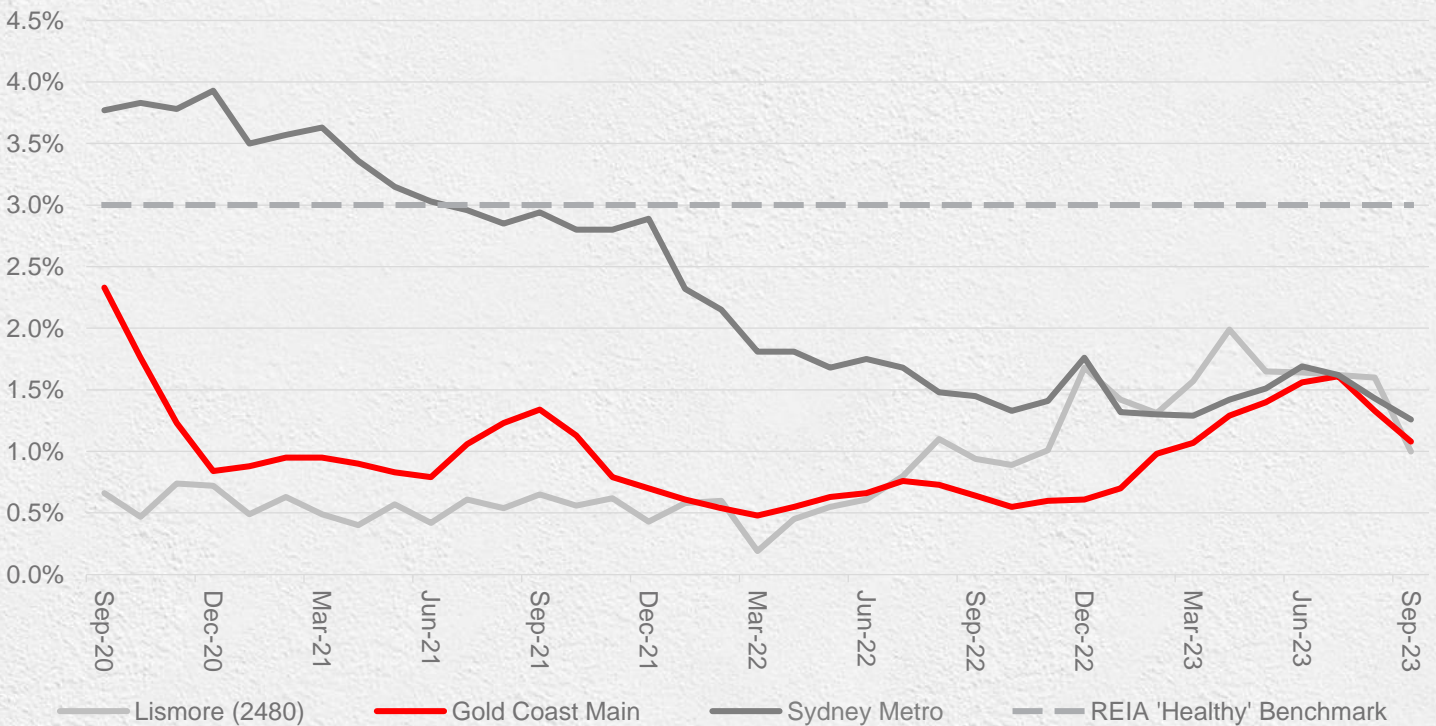
House rental yields in Lismore\* was 4.2% in September 2023, higher than Sydney Metro (2.7%). Median house rental price has remained stable in the past 12 months to Q3 2023, at \$480 per week; while the number of houses have also remained stable (26 houses). The unit rental market shows a similar trend. As the sales market become more affordable to buyers, it is not unusual to see renters move into the ownership market, thus stabilising the rental market. With a higher rental yield than Sydney Metro, Lismore\* is still a more attractive and affordable market for investment.

4+ bedroom houses have provided investors with +10.0% rental growth annually, achieving a median rent of \$605 per week.

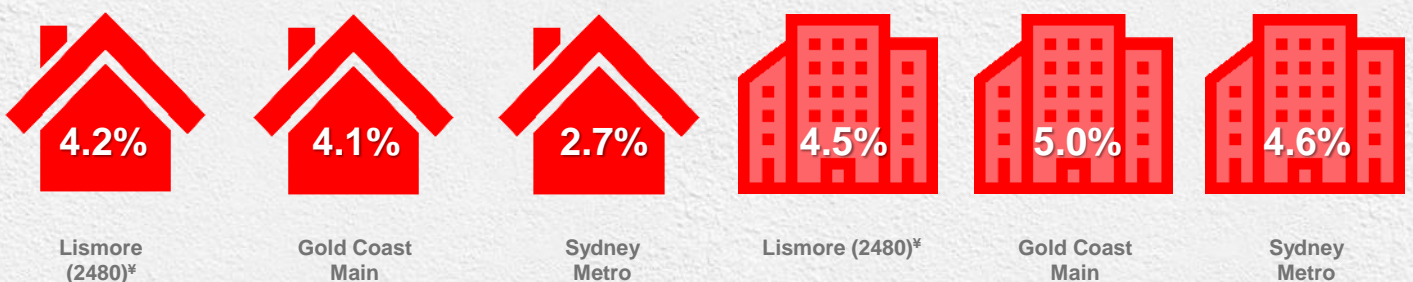
Lismore\* recorded a vacancy rate of 1.0% in September 2023, slightly below Sydney Metro's 1.3% average. Vacancy rates in Lismore\* have fluctuated in the past 12 months, due to investors returning to market. A 1.0% vacancy rate is still low, thus indicating quicker rental occupancy. These key indicators create a conducive and sustainable environment for investors.



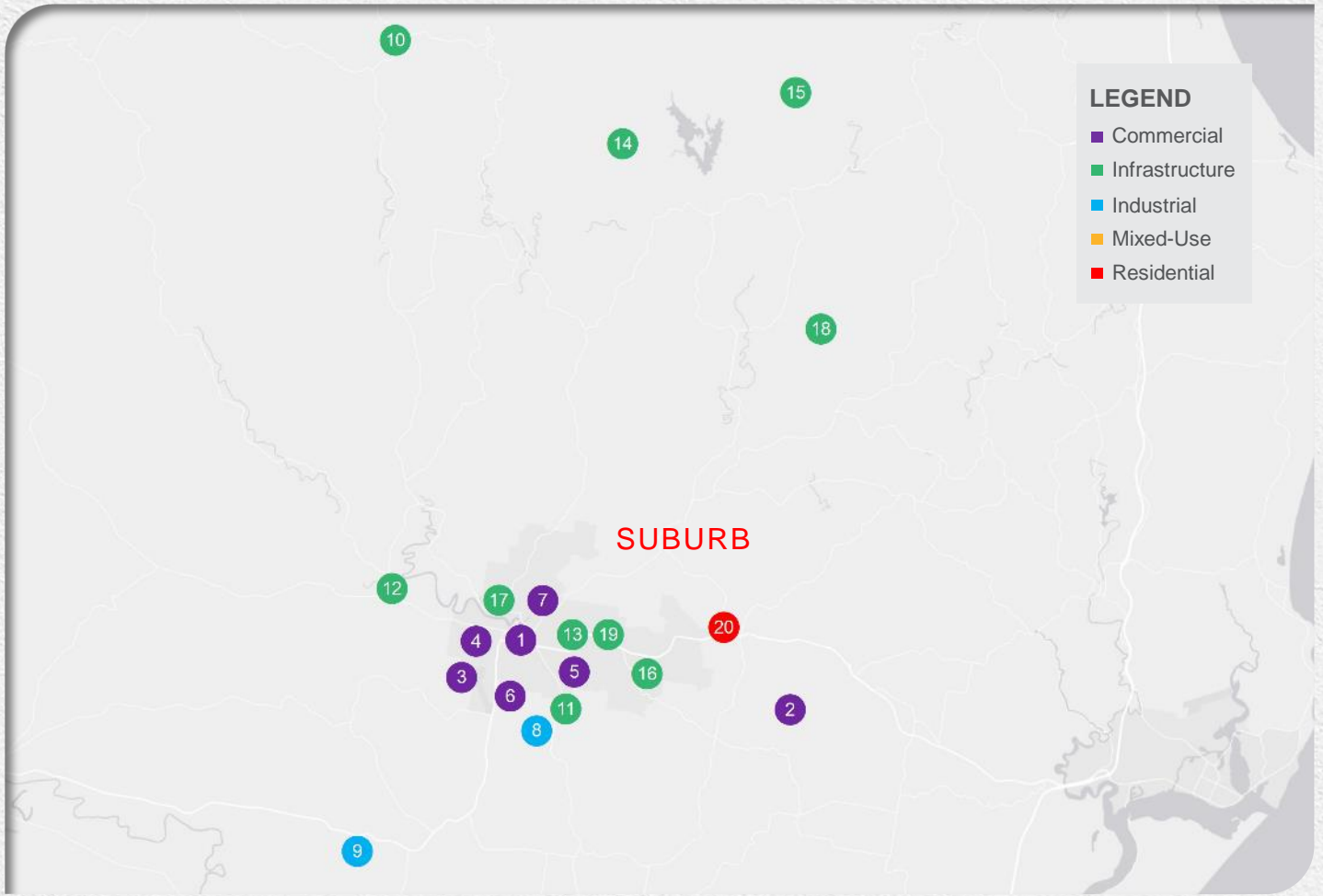
# RENTAL VACANCY RATES 2023



# RENTAL YIELD 2023§



# TOP DEVELOPMENTS MAP 2<sup>nd</sup> HALF 2023<sup>A</sup>



| Location | Project <sup>£</sup>   | Type           | Estimated Value <sup>µ</sup> | Commence Date <sup>µ</sup> |
|----------|--|----------------|------------------------------|----------------------------|
| 1        | Lismore Workers Club Alterations & Additions                               | Commercial     | \$15,500,000                 | 06/11/2023                 |
| 2        | 245 Lindendale Road Shed & Shade House                                     | Commercial     | \$535,000                    | 12/12/2023                 |
| 3        | Northern Rivers Isuzu  | Commercial     | \$736,000                    | 01/07/2023                 |
| 4        | 135-139 Union Street Service Station & Shop                                | Commercial     | \$2,110,000                  | 22/12/2023                 |
| 5        | St Josephs Nursing Home East Lismore Residential Care Facility Alterations | Commercial     | \$2,209,000                  | 29/12/2023                 |
| 6        | 28 Bruxner Highway Community & Commercial Building                         | Commercial     | \$1,500,000                  | 26/12/2023                 |
| 7        | Lismore Rugby Clubhouse Alterations & Additions                            | Commercial     | \$6,050,000                  | 14/12/2023                 |
| 8        | 246 Wyrallah Road Industrial Subdivision                                   | Industrial     | \$1,250,000                  | 12/12/2023                 |
| 9        | 1112 Bruxner Highway Storage Sheds & Truck Wash Bay                        | Industrial     | \$935,000                    | 20/12/2023                 |
| 10       | Rainbow Road Walking Track   | Infrastructure | \$2,547,000                  | 24/07/2023                 |
| 11       | Lahc - East Lismore  | Infrastructure | \$3,500,000                  | 27/12/2023                 |
| 12       | Walsh Bridge Replacement   | Infrastructure | \$5,351,000                  | 16/10/2023                 |
| 13       | Oakes Ovals Sports Field Led Lighting Upgrade                              | Infrastructure | \$401,000                    | 12/07/2023                 |
| 14       | Tweed Byron Hinterland Trails Day 3 Walking Track Construction             | Infrastructure | \$1,000,000                  | 11/12/2023                 |
| 15       | Tweed Byron Hinterland Trails Day 4 Walking Track Construction             | Infrastructure | \$1,000,000                  | 11/12/2023                 |
| 16       | Lismore City Council Corporate Centre                                      | Infrastructure | \$650,000                    | 11/09/2023                 |
| 17       | Lismore Electorate Office Fitout   | Infrastructure | \$450,000                    | 24/10/2023                 |
| 18       | Ridgewood Bridge   | Infrastructure | \$3,068,000                  | 10/07/2023                 |
| 19       | Rotary Park Raised Platform & Bridge Renewal                               | Infrastructure | \$363,000                    | 26/07/2023                 |
| 20       | The Pineapple Rd Precinct (300 Lots)                                       | Residential    | \$11,200,000                 | 03/07/2023                 |



## 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 Q1 to Q3 2023 (01/01/2023 – 30/09/2023) only.

€ Annual rental growth is a comparison between Q3 2022 (01/07/2022 – 30/09/2022) and Q4 2023 (01/07/2023 – 30/09/2023) median house rent figures.

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

§ Rental yields shown are as reported as of September 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 Local Government Area of Lismore.

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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