


PRD. 
REAL ESTATE



Roaring Regions

Top 10 Affordable Regional Areas 2024



HOME AFFORDABILITY QLD, NSW, VIC & TAS

The start of 2024 marked a new economic period in Australia, with the cash rate being held steady for the first time after a series of cash rate hikes. This brought cautious hope for many in the industry, regardless of their property journey. In late 2023, buyers were able to take advantage of a softer market in certain areas, and investors made a comeback; after a period of exiting the market due to lower financial viability.

In the past 12 months to the December quarter of 2023, the weighted average capital city Australian median house price grew by 5.3% to \$1,005,242; we are officially a million-dollar country. The median house price grew in Sydney, Brisbane, Adelaide, Perth, Canberra, and Darwin, but declined in Melbourne and Hobart. Prices increased between 1.1% in Canberra and to 7.5% in Perth.

In the same period, median family weekly income grew by 5.6%. This may seem promising, but the proportion of family income to meet home loan repayments rose from 44.3% in the December quarter of 2022, to 47.7% in the December quarter of 2023. Overall, this suggests that home ownership has become much harder.

Although slower price growth is still evident in some markets, there is also evidence of a market recovery. This is mostly in undersupplied areas with no to very-little new stock planned for construction. With interest rates currently steady and demand growing, prices are gaining momentum. The top affordable regional areas identified in this report provide options to those looking to achieve the great Australian dream of home ownership in areas outside of metro and capital cities. Now is the time to act, before house prices continue to rise.

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

TABLE 1. MEDIAN HOUSE PRICE & AVERAGE STATE LOAN

Location	Median House Price (Dec Quarter 2023)	Average State Loan (Dec Quarter 2023)
Brisbane • QLD	\$825,000	\$558,847
Sydney • NSW	\$1,595,310	\$766,642
Melbourne • VIC	\$909,000	\$607,917
Hobart • TAS	\$740,000	\$454,929

Source: Real Estate Market Facts Report December Quarter 2023 and Housing Affordability Report December Quarter 2023 by Real Estate Institute of Australia. Prepared by PRD Research.

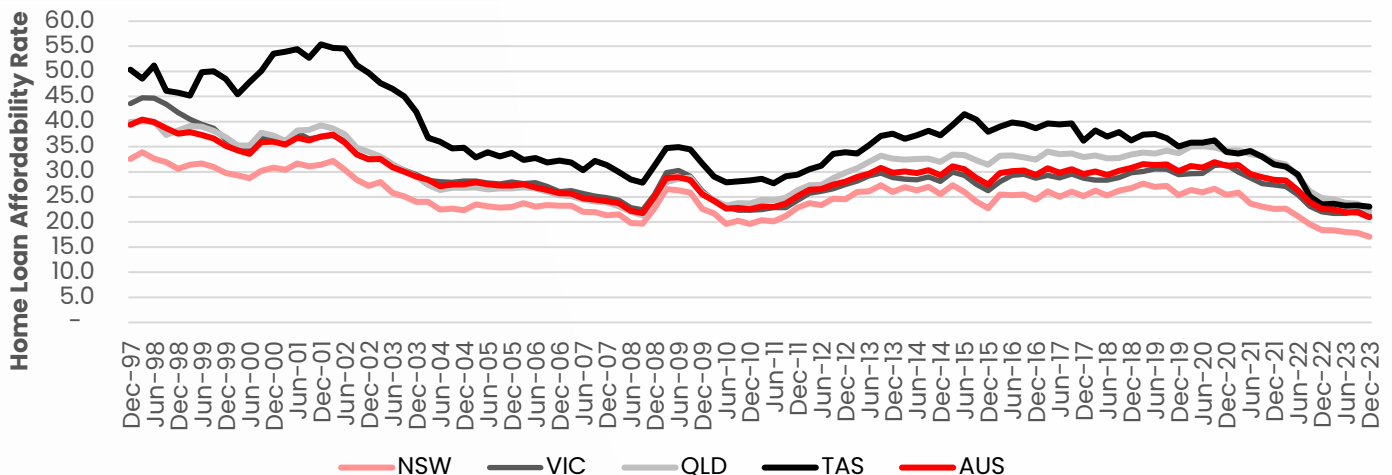
The home loan affordability index reflects the ratio of median family income in relation to average home loan repayments. Due to successive cash rate hikes, housing affordability for mortgagees is the worst on record as of the December quarter of 2023. Nationally, housing affordability has declined a substantial 2.7% in the past quarter, and the average household is now spending 47.7% of their income on mortgage repayments.

As of the December quarter of 2023, housing affordability in New South Wales, Victoria, South Australia, Tasmania, and the Australian Capital Territory are all at their lowest points in 20 years. In Queensland, where housing affordability fell by 2.8%, was the biggest loser this quarter. This suggests that the once 'most affordable state' is no longer.

On a positive note, the number of first home buyers grew by 16.8% in the last quarter and by 12.8% in the past 12 months to December quarter 2023. Further, all states and territories reported a growth in first home buyer volumes. This suggests currently there is a more confident cohort.



HOME LOAN AFFORDABILITY INDEX COMPARISON



Source: Housing Affordability Report December Quarter 2023 dataset by Real Estate Institute of Australia. Last updated February 2024. Prepared by PRD Research. © PRD 2024.



AFFORDABLE REGIONAL AREAS WITH SOLID GROWTH FUNDAMENTALS

PRD.

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 2023 and 2024, 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 January 2024 the unemployment rate sat at 4.1%, 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 less than \$600,000; which is a much higher threshold than the 2023 report of \$500,000. This further drives home the unaffordability of homes in Australia. That said **the \$600,000 highest threshold (among chosen LGAs) is approx. 27.3% lower than Brisbane's, 33.9% lower than Melbourne's, 62.4% less than Sydney's and 18.9% lower than Hobart's median house prices** in December Quarter 2023; providing hope to first home buyers.

QUEENSLAND

Mackay Regional Council

Toowoomba Regional Council

Townsville Shire Council

NEW SOUTH WALES

Dubbo Regional Council

Tamworth Shire Council

Griffith City Council

VICTORIA

Ballarat City Council

City of Greater Shepparton

Wodonga City Council

TASMANIA

Burnie City Council

TOOWOOMBA, QUEENSLAND TOP AFFORDABLE MAJOR REGIONAL AREA

The Toowoomba LGA is a **regional city west of QLD** known for the long-standing Victoria-era buildings, street art, gardens and the surrounding national parks. Toowoomba recorded a **five-year population growth of 15.8%** (+23,692 residents) in the past 5 years (to 2021). In the September quarter of 2023, the area saw an **unemployment rate of 4.0%**, which has remained stable over the past 12 months. Overall, this **suggests Toowoomba's local economy is creating job opportunities**, which attracts more people to the area. This has a spill-over effect on the property market, in the form of more demand for housing.

Median price growth in the Toowoomba LGA over the past 10 years (to 2023) has been significant for houses which **showed a growth of +67.2%**. During this time, **land and unit prices grew** by **+57.1%** and **+33.8%** respectively. There was a spike in property sales between 2020-2022, as the state benefitted from record high interstate migration and favourable COVID-19 conditions. **There is now a market undersupply**, which protected the LGA against cash rate hikes. Due to this, **median prices grew** by **10.9%** for houses, **3.4%** for land, and **8.6%** for units over the **past 12 months** (to 2023).

In December 2023, investors in the Toowoomba LGA **enjoyed average rental yields of 5.0% for houses, sitting well above Brisbane Metro's 3.6%. Units in the Toowoomba LGA recorded an average rental yield of 4.9%**. In December 2023 **vacancy rates were at a low 0.7% and have trended within the 1.0% mark** for the past 24 months, below Brisbane Metro's 1.2%. This suggests there is quicker occupancy of investment properties, which when combined with higher rental yields, benefits investors, making it a **more affordable market compared to Brisbane**.

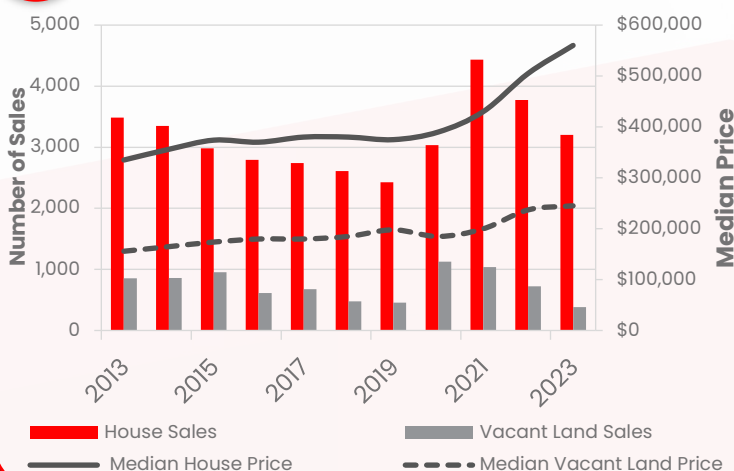
Throughout 2024, the **Toowoomba LGA is set to see a total of \$6.1B* worth of project development commence**, with **2,414 lots, 80 townhouses, 420 units, and 3 dwellings planned**. This is not enough to address current demand, especially due to construction challenges causing delays to land lot developments. Thus, **an undersupply of stand-alone houses will continue in the area**, pushing up prices further. House buyers will re-route to units, which will also put pressure on unit prices.

KEY FACTS

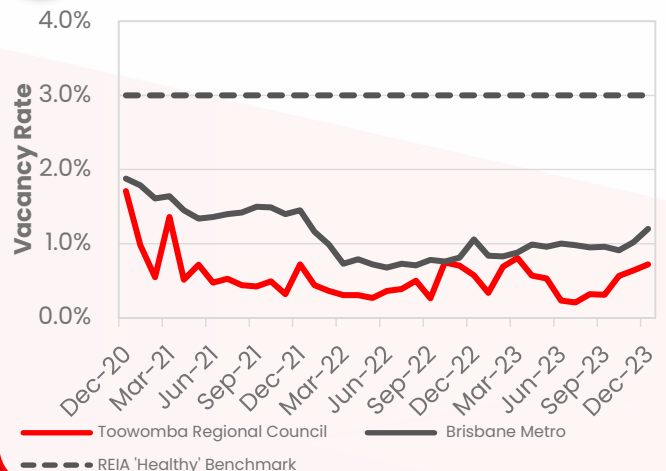
House median price (2023)	\$560,000
Land median price (2023)	\$245,000
Unit median Price (2023)	\$380,000
Vacancy rate (as of Dec-23)	0.7%
House rental yield (as of Dec-23)	5.0%
Unit rental yield (as of Dec-23)	4.9%
Estimated value of developments in 2024	\$6,141,130,984
Total dwellings set to commence in 2024	2,414 Lots 420 Units 80 Townhouses 3 Dwellings
Unemployment rate (as of Sep, Quarter 2023)	4.0%
5-year population growth (from ABS ERP 2021)	15.8% (23692+ residents)



AREA SALES & MEDIAN PRICE



VACANCY RATE



MACKAY, QUEENSLAND TOP AFFORDABLE MAJOR REGIONAL AREA

The Mackay LGA is a tropical coastal area located in north QLD known for its close connection to the Great Barrier Reef. In the past 5 years (to 2021), the **Mackay LGA saw a 4.8% increase in population**, which is in line with expectations for a regional area. There are **several commercial and infrastructure projects planned in 2024**, and with a high level of interstate migration, more population growth is imminent. In the September quarter of 2023, the **Mackay LGA recorded an unemployment rate of 3.7%, which sits below the Australian average of 4.1%**. There is local job growth and a healthy economy, which can result in higher demand for housing.

Median land price growth in the Mackay LGA over the past 10 years (2013-2023) was +9.6%, with a median price that is still very affordable for first home buyers. During this time, **median house and unit prices grew by 8.9% and 11.1% respectively**, assuring owners of capital growth in their investments. The area saw **median price growth in the past 12 months (to 2023) of 5.2% for houses, 4.1% for land, and 4.2% for units**, which speaks volumes to its resilience despite successive cash rate hikes.

In December 2023, **investors in the Mackay LGA benefited from average rental yields of 5.9% for houses, which sits well above Brisbane Metro's 3.6%. Units recorded an average rental yield of 5.3% over the same period.** Vacancy rates were recorded at a **low 0.3% in December 2023**, and have **trended less than 1.0% for the past 24 months**, well below that of Brisbane Metro's 1.2%. Low vacancy rates coupled with high rental returns suggest **rental market resilience in Mackay** amidst higher cash rates. With a median entry price that is lower than Brisbane, **first time investors are encouraged to take this opportunity to re-enter the market.**

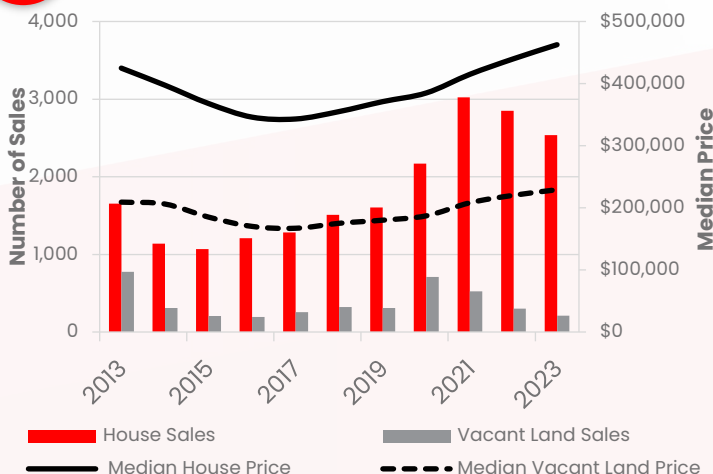
The Mackay LGA is set to see an **estimated \$1.7Bn* of projects commence throughout 2024**, with a large component of this being infrastructure and commercial developments. **There are 1,225 lots, 9 dwellings, 201 units, and 22 townhouses planned.** This will assist with some of the demand, but it is not enough, as construction challenges suggest there are delays to land lots being turned into ready-to-sell stock, meaning **current undersupply will continue.** Higher prices are expected in the near future, especially as the economy recovers. Now is an ideal time to act.

KEY FACTS

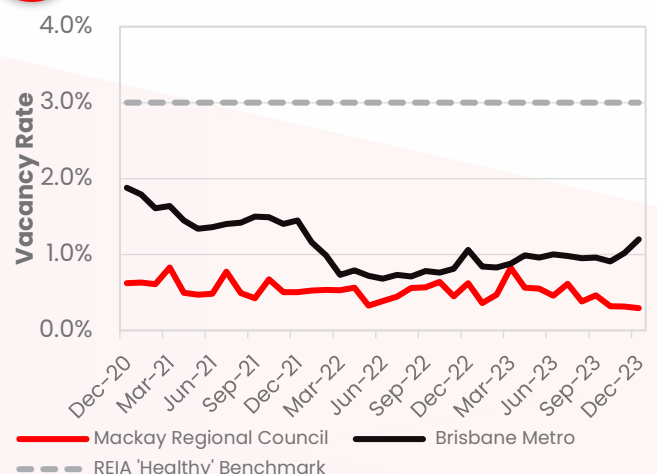
House median price (2023)	\$462,750
Land median price (2023)	\$229,000
Unit median price (2023)	\$300,000
Vacancy rate (as of Dec-23)	0.3%
House rental yield (as of Dec-23)	5.9%
Unit rental yield (as of Dec-23)	5.3%
Estimated value of developments in 2024	\$1,694,033,375
Total dwellings set to commence in 2024	1,225 Lots 9 Dwellings 201 Units 22 Townhouses
Unemployment rate (as of Sep, Quarter 2023)	3.7%
5-year population growth (from ABS ERP 2021)	+4.8% (+1571 residents)



AREA SALES & MEDIAN PRICE



VACANCY RATE



TOWNSVILLE, QUEENSLAND TOP AFFORDABLE MAJOR REGIONAL AREA

Townsville is a coastal city in North-eastern QLD. The Strand Esplanade, with its pier and water park are popular destinations and their Reef Aquarium features marine life and coral from the iconic Great Barrier Reef. Townsville has had a **population growth of 3.2%** (+6,011 residents) in the **past 5 years** (to 2021). In the September quarter of 2023, Townsville saw **unemployment rate of 2.5%**, which has **remained stable in the past 12 months**. This suggests that Townsville's local economy is creating job opportunities, with more people calling the area home. **This is good news for first home buyers.**

Median price growth in the Townsville LGA over the **past 10 years** (to 2023) was quite strong for houses and land, at **+16.4%** and **+7.3%**, respectively. **The unit market did slow during this time by -9.7%**, which is not unusual for a regional area. Unlike other LGAs which saw a spike in property sales between 2020-2022 but a significant decline in 2023, Townsville saw relatively stable sales. **This suggests a highly demanded market. Furthermore, median prices grew by 5.0%** (for houses), **7.7%** (for land), and **1.8%** (for units) **in the past 12 months** (to 2023).

In December 2023, **investors** in the Townsville LGA **enjoyed average rental yields of 5.0% for houses**, which were well above Brisbane Metro's of 3.6%. In December 2023, **vacancy rates were 1.3%**; on par with Brisbane Metro's 1.2%. **There has been a slight uptick in vacancy rates in the past 6 months due to investors re-entering the market.** This is not uncommon across QLD and is still well below the Real Estate Institute of Australia's healthy benchmark of 3.0%, which suggests there is still quicker occupancy of investment properties in Townsville.

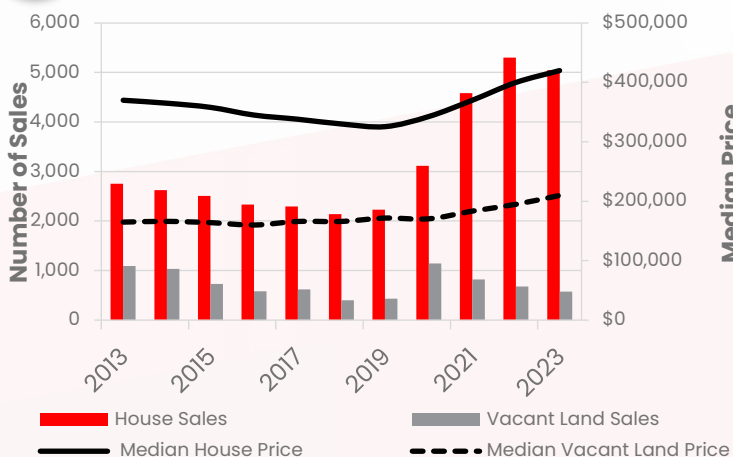
In **2024** the area is set to see a total of **\$3.2Bn* worth of projects commence**, including with **632 lots, 4 townhouses, and 189 units planned**. This is not enough to address current demand, especially as there are no stand-alone dwellings planned. Further, due to construction challenges, land lot developments are delayed, thus **an undersupply of stand-alone houses will continue** in the Townsville LGA, **pushing up prices further**. House buyers will likely re-route to units, which will also put pressure on unit prices. **Now is the time to enter the market**, before prices become unaffordable.

KEY FACTS

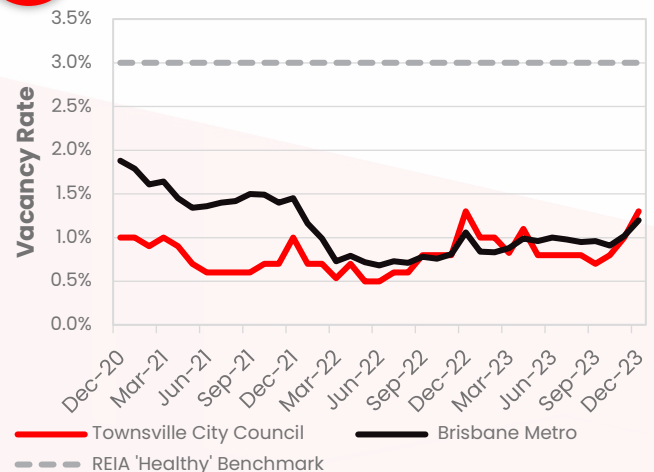
House median price (2023)	\$420,000
Land median price (2023)	\$210,000
Unit median price (2023)	\$280,000
Vacancy rate (as of Dec-23)	1.3%
House rental yield (as of Dec-23)	5.0%
Unit rental yield (as of Dec-23)	6.9%
Estimated value of developments in 2024	\$3,182,334,767
Total dwellings set to commence in 2024	632 Lots 189 Units 4 Townhouses 0 Dwellings
Unemployment rate (as of Sep, Quarter 2023)	2.5%
5-year population growth (from ABS ERP 2021)	3.2% (6011+ residents)



AREA SALES & MEDIAN PRICE



VACANCY RATE



DUBBO, NEW SOUTH WALES TOP AFFORDABLE MAJOR REGIONAL AREA

The Dubbo LGA is located west of Newcastle in the Orana Region of NSW and is home to the 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 five-year period. In the next decade (to 2031) the **population is expected to grow 1.02% per year**. In the September quarter of 2023, the Dubbo LGA **recorded an unemployment rate of 2.2%**, which equated to a **1.1% decrease compared to 12 months prior**. There is a thriving economy in Dubbo, with property demand on the rise.

Median price growth in the Dubbo LGA **have grown significantly in the past 10 years to 2023, to +76.7% for houses and +142.9% for units**. 2020-2022 saw **the highest number of houses sales in Dubbo**, which created an undersupply in 2023. This protected the market even though there is a higher interest rate, **with a 11.6% median house price growth in the past 12 months**. The unit market shows similar patterns, thus now is an ideal time for investors to enter the market.

From an investment perspective, **investors in the area have benefitted from average rental returns of 5.8% for houses and 5.2% for units** (as of December 2023). These returns are well above that of Sydney Metro (2.8% for houses and 4.5% for units). Dubbo's **vacancy rates did see a spike in the past 12 months, due to a high level of investors entering the market**. However, this is still below the Real Estate Institute of Australia's healthy benchmark, thus there is still quicker occupancy in Dubbo.

The Dubbo LGA **is set to benefit from a total estimated development pipeline of \$4.7bn* across 2024**, which will stimulate further economic growth in the area. A total of **2,546 lots, 132 units, and 52 dwellings are planned in 2024**, which will assist with managing population growth and increasing property demand. That said, **there is still an undersupply of ready-to-sell stand-alone dwellings**. With the economy in general now in recovery mode, a market undersupply will push up prices further.

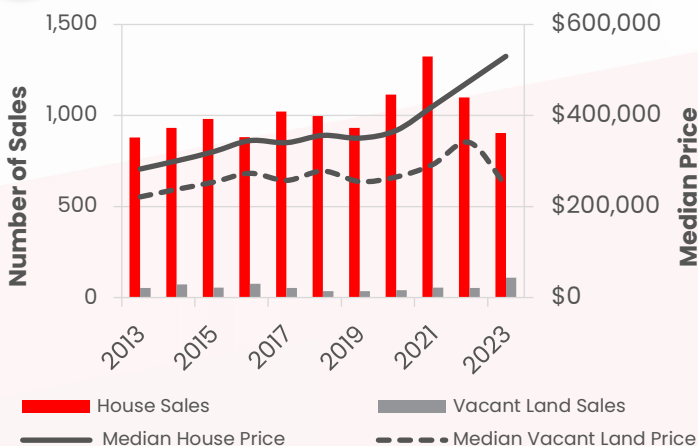
Key indicators in the Dubbo LGA suggest that it is a superior choice than Sydney Metro, especially with a more affordable entry price. However, higher price growth is imminent, so now is an ideal time for investors to act.

KEY FACTS

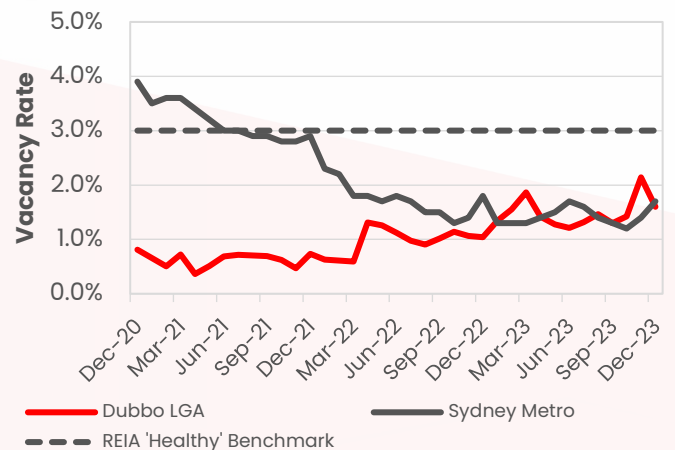
House median price (2023)	\$530,000
Land median price (2023)	\$246,000
Unit median price (2023)	\$340,000
Vacancy rate (as of Dec-23)	1.6%
House rental yield (as of Dec-23)	5.8%
Unit rental yield (as of Dec-23)	5.2%
Estimated value of developments in 2024	\$4,693,438,023
Total dwellings set to commence in 2024	2,546 lots 52 dwellings 0 townhouses 132 units
Unemployment rate (as of Sep, Quarter 2023)	2.2%
5-year population growth (from ABS ERP 2021)	+29.8% (+12,602 residents)



AREA SALES & MEDIAN PRICE



VACANCY RATE



GRIFFITH, NEW SOUTH WALES TOP AFFORDABLE MAJOR REGIONAL AREA

The Griffith LGA is located west of Sydney and north-west of Canberra. It is **well-known** for its **prime produce production** and **wine cultivation**. The Griffith LGA had an **estimated population of 21,837 people in 2021** (a 2.5% population growth), and a **2.0% unemployment rate** (as of the September quarter of 2023), **which is well below the national average of 4.1%**. This highlights high economic resilience even through changing economic conditions, and the high possibility of consistent property demand.

Median property price growth in the Griffith LGA **over the past 10 years** (to 2023) **has proven exceptionally strong for land**, with a **71.0% growth** during the period. Across the same decade, there has been a **104.2% median house price growth**. Griffith property sales peaked in 2021, as was seen in other regional areas. This created an undersupply of houses and land, which has created a buffer against successive cash rate hikes. Due to this, **in the past 12 months** (to 2023), **median house and land prices grew by 2.1% and 65.3% respectively**. **Unit median prices saw a -4.5% softening** during this time, creating a more affordable market for first time buyers.

As of December 2023, **Griffith LGA investors benefited from an average house rental yield of 5.0%**, which was well above Sydney Metro's average house rental of just 2.8%. **Units in the Griffith LGA recorded an average rental yield of 4.7%** in December 2022, slightly above that of Sydney Metro (4.5%).

A low vacancy rate of just 0.6% (recorded in December 2023) was below Sydney Metro's 1.7%; Griffith LGA has historically had a lower vacancy rate than Sydney Metro for the past three years. As an alternative **investment option**, the **Griffith LGA is an attractive market**, due to **more affordable pricing, higher rental returns, and quicker occupancy**.

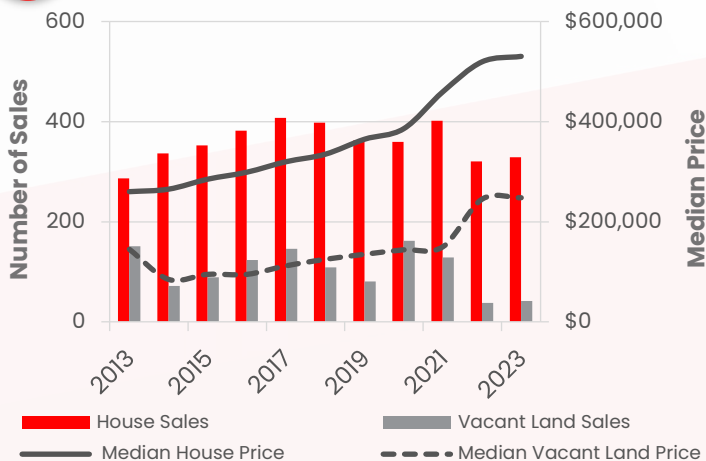
The area is set to see a **total of \$258.7M*** in project developments to commence throughout 2024, with **20 units, 5 townhouses, 160 dwellings, and 642 lots** planned. Although there is a high number of lots planned there are also delays, so there will still **not be enough new stand-alone dwellings to satisfy demand**. This will continue to push up prices.

KEY FACTS

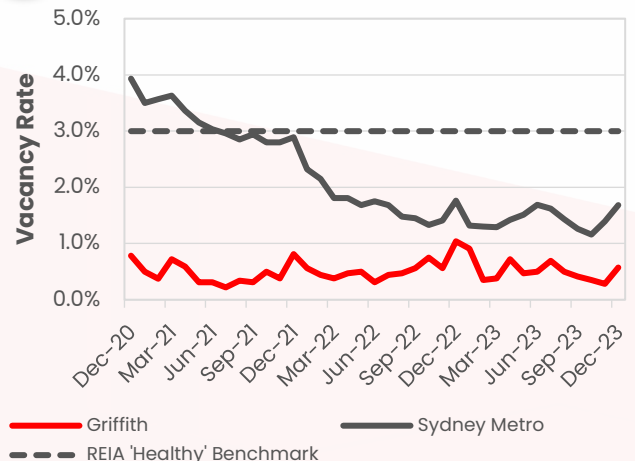
House median price (2023)	\$531,000
Land median price (2023)	\$248,000
Unit median price (2023)	\$372,500
Vacancy rate (as of Dec-23)	0.6%
House rental yield (as of Dec-23)	5.0%
Unit rental yield (as of Dec-23)	4.7%
Estimated value of developments in 2024	\$258,711,163
Total dwellings set to commence in 2024	20 Units 5 Townhouses 160 Dwellings 642 Lots
Unemployment rate (as of Sep, Quarter 2023)	2.0%
5-year population growth (from ABS ERP 2021)	2.5% (177 residents)



AREA SALES & MEDIAN PRICE



VACANCY RATE



TAMWORTH, NEW SOUTH WALES TOP AFFORDABLE MAJOR REGIONAL AREA

Tamworth is a city **north-east of NSW, known for the annual Tamworth Country Music Festival**. It is the largest and main retail centre for the New England and Northwest Slopes regions. Tamworth has had a **population growth of 5.7%** (+3,407 residents) **in the past 5 years** (to 2021). In the September quarter of 2023, Tamworth saw an **unemployment rate of 2.0%, which has declined in the past 12 months**. With more people now calling the area home, this suggests that Tamworth's local economy is creating job opportunities. **This is good news for first home buyers.**

The **Median price growth** in the **Tamworth LGA** over the **past 10 years** (to 2023) **was significant for all property types: 73.8% for houses, 72.1% for land, and 54.2% for units.** Tamworth also saw a spike in property sales between 2020-2022, as did many regional areas, and a significant decline in 2023. This suggests an undersupplied market, especially for houses and land, creating a buffer against cash rate hikes. Hence, **median prices grew by 14.0%** (for **houses**), and **12.0%** (for **land**). The **unit market also grew, but at a slower rate of 3.8%**, which is not unusual for a regional area.

In December 2023, **investors** in the Tamworth LGA **enjoyed average rental yields of 4.7% for houses**, which were above Sydney Metro's 2.8%. **Vacancy rates were 1.8%**, which were on par with Sydney Metro's 1.7%. There has been a **slight uptick in vacancy rates in the past 6-12 months, due to investors re-entering the market**. This is not uncommon for regional NSW and is still well below the Real Estate Institute of Australia's healthy benchmark of 3.0%. This suggests there is still quicker occupancy of investment properties in Tamworth, with a more affordable entry price than Sydney.

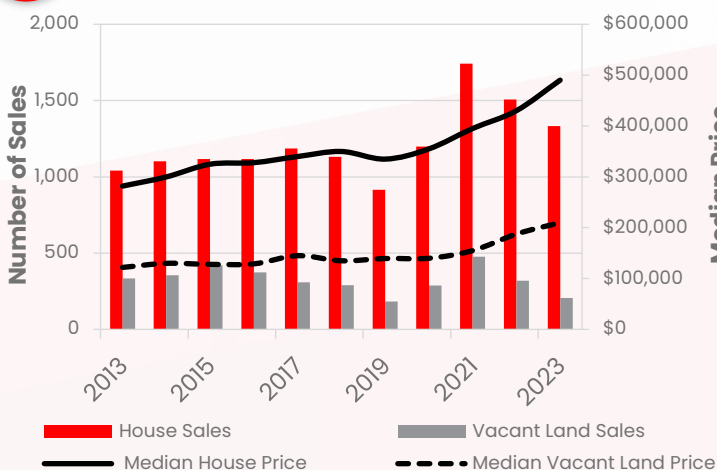
In **2024**, the **Tamworth LGA** will see a **total of \$112.4M* worth of projects commence**, with **251 lots** and **64 units planned**. This is not enough to address current demand, especially as there are no stand-alone houses or townhouses planned. Further, due to construction challenges, land lot developments are being delayed. Thus, an **undersupply of stand-alone houses will continue** in the Tamworth LGA, **pushing up prices further**. House buyers will most likely re-route to units, which will also put pressure on unit prices. **Now is the time to enter, before prices become unaffordable.**

KEY FACTS

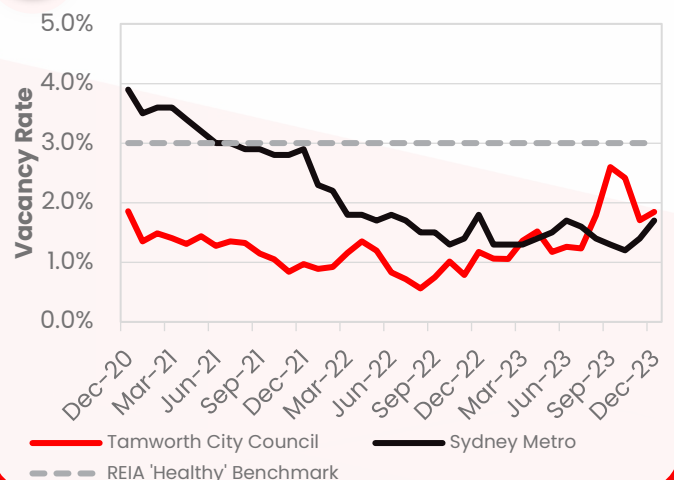
House median price (2023)	\$490,000
Land median price (2023)	\$210,000
Unit median price (2023)	\$331,500
Vacancy rate (as of Dec-23)	1.8%
House rental yield (as of Dec-23)	4.7%
Unit rental yield (as of Dec-23)	5.0%
Estimated value of developments in 2024	\$112,423,219
Total dwellings set to commence in 2024	251 Lots 64 Units 0 Townhouses 0 Dwellings
Unemployment rate (as of Sep, Quarter 2023)	2.0%
5-year population growth (from ABS ERP 2021)	5.7% (3407+ residents)



AREA SALES & MEDIAN PRICE



VACANCY RATE



BALLARAT, VICTORIA TOP AFFORDABLE MAJOR REGIONAL AREA

The Ballarat LGA is located approximately a 1.5hours drive west of Melbourne city. **With a population of approximately 113,482 persons** (in 2021), **Ballarat boasts the 3rd highest population in VIC.** Ballarat is known for its innovative growth, development, and Victorian architectural heritage. In the September quarter of 2023, **Ballarat recorded an unemployment rate of 3.0%, a decline from the 3.8% recorded 12 months prior.** This suggests economic resilience, with high local job growth. This has a spill-over impact on the real estate market, in the form of continuous demand for housing.

In the past 10 years (to 2023), Ballarat has recorded **high median price growth for all property types; houses by +92.9%, vacant land by +108.6%, and units by +58.4%.** Like many regional areas, 2021 saw the highest number of house and unit sales, which saw Ballarat break through the **\$500,000 mark for median house price** and **\$400,000 for median unit price.** Cash rate hikes and lower consumer confidence has impacted the market slightly, with **median price declines of -4.2% (for houses)** and **-4.9% (for units)** in the **past 12 months.** This creates an opportunity for first time investors.

In December 2023, **investors in the Ballarat LGA benefited from average rental yields of 3.7% for houses,** well above Melbourne Metro's 3.0%. **Units recorded an average rental yield of 4.3%,** which was on par with Melbourne Metro. **Ballarat recorded a 1.9% vacancy rate in December 2023,** which was **slightly above Melbourne Metro's 1.5%.** That said, a 1.9% rate is still below the Real Estate Institute of Australia's healthy benchmark, which suggests quicker occupancy of rental properties. With an **entry price that is approximately 37.3% less than Melbourne Metro,** the **Ballarat LGA is still a more affordable and attractive place for investors.**

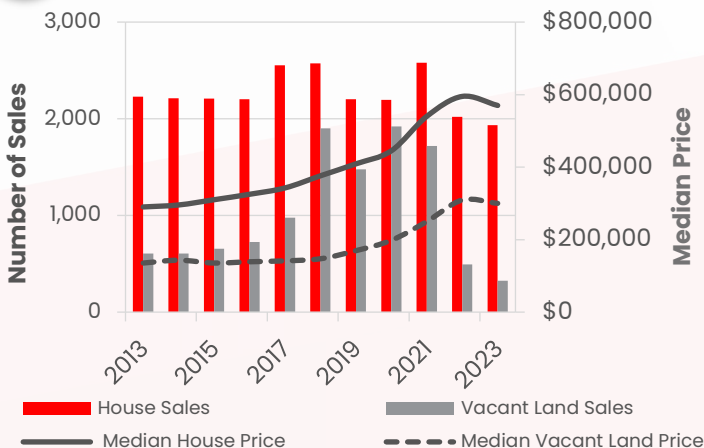
The Ballarat LGA plans to see a **total project pipeline of \$2.3B* across 2024,** with infrastructure development as a focus. **1,242 lots, 125 units, 255 dwellings, and 73 townhouses are planned in 2024.** This will assist with demand, especially stand-alone houses. Although a high number of land lots hold promise, current construction challenges suggest potential delays. **With an undersupplied market, now is the time for buyers to act.**

KEY FACTS

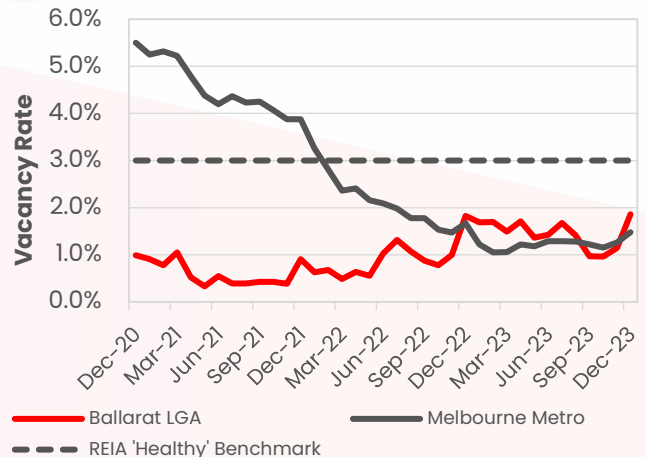
House median price (2023)	\$570,000
Land median price (2023)	\$300,000
Unit median price(2023)	\$385,000
Vacancy rate (as of Dec-23)	1.9%
House rental yield (as of Dec-23)	3.7%
Unit rental yield (as of Dec-23)	4.3%
Estimated value of developments in 2024	\$2,261,604,454
Total dwellings set to commence in 2024	1,242 Lots 255 Dwellings 73 Townhouses 125 Units
Unemployment rate (as of Sep, Quarter 2023)	3.0%
5-year population growth(from ABS ERP 2021)	-1.4% (-167 residents)



AREA SALES & MEDIAN PRICE



VACANCY RATE



GREATER SHEPPARTON, VICTORIA TOP AFFORDABLE MAJOR REGIONAL AREA

The Greater Shepparton LGA is a rural region located approximately 2 hours north of Melbourne, in the central-north of VIC. It is popularly referred to as the food bowl of Australia. The **Greater Shepparton LGA has experienced a 5-year population growth of 3.9% (+144 residents) to 2021**. In the September quarter of 2023, **Greater Shepparton saw an unemployment rate of 2.0% (a decline of 1.1% compared to 12 months prior)**. This signals local job growth and a healthy economy, which can translate to more demand for housing, creating a conducive environment for investors.

In the past 10 years (to 2023), the **Greater Shepparton LGA experienced strong median price growth for all types of property types: houses by +84.5%, vacant land by +109.1%, and units by +69.2%**. 2023 recorded the lowest number of sales for all property types, from the peak saw in 2020-2021. This signals an undersupply of stock, which is a buffer against cash rate hikes. **Median house and land prices have grown in the past 12 months, by 4.4% and 17.4% respectively**. That said, the **unit market became more affordable, by -2.1%**. This is an opportunity for first time investors, with a high level of confidence for long term capital growth (i.e. 10years).

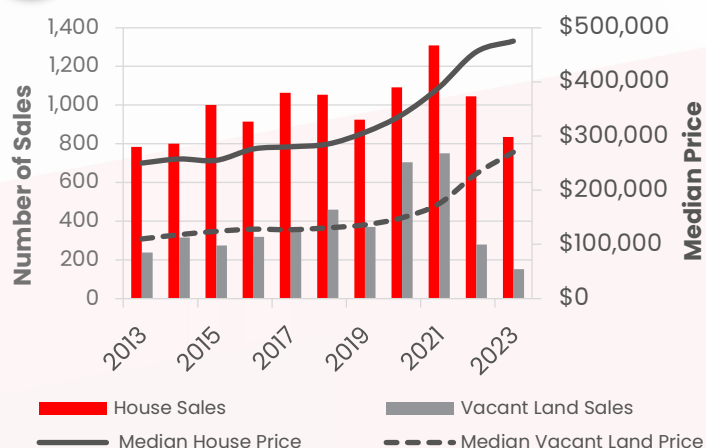
In December 2023, **investors in the Greater Shepparton LGA benefited from average rental yields of 4.7% for houses**, which was well above Melbourne Metro at 3.0%. **Units recorded an average rental yield of 6.2% over the same period**, which were also above Melbourne Metro at 4.5%. **Greater Shepparton LGA's vacancy rates were recorded at a low 0.9%**, below Melbourne Metro's 1.5% for the same period. With a much lower entry price compared to Melbourne Metro (approximately -47.7% less) combined with strong rental returns, **investors are encouraged to enter the market**.

The Greater Shepparton LGA is set to see a total of **\$1.8Bn* of project development** commence throughout 2024. **From a new residential stock perspective: 1,836 lots, 69 dwelling, 25 townhouses and 41 units are in the pipeline**. This will assist with current demand, and the low number of new stock will allow for current available stock to be absorbed by the market. That said, **this is not a sustainable approach, especially with a stable cash rate and a more positive economic outlook**. An undersupply can result in a market recovery, so now is the time to enter the market.

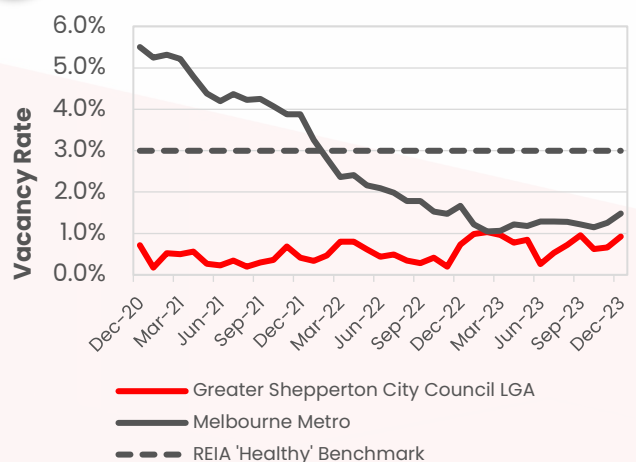
KEY FACTS

House median price (2023)	\$475,000
Land median price (2023)	\$270,000
Unit median price (2023)	330,000
Vacancy rate (as of Dec-23)	0.9%
House rental yield (as of Dec-23)	4.7%
Unit rental yield (as of Dec-23)	6.2%
Estimated value of developments in 2024	\$1,799,288,000
Total dwellings set to commence in 2024	1,836 Lots 69 Dwellings 25 Townhouses 41 Units
Unemployment rate (as of Sep, Quarter 2023)	2.0%
5-year population growth (from ABS ERP 2020)	+3.9% (+144 residents)

AREA SALES & MEDIAN PRICE



VACANCY RATE



WODONGA, VICTORIA TOP AFFORDABLE MAJOR REGIONAL AREA

The Wodonga LGA is a region located in VIC, bordering NSW and located on the southern side of the Murray River. It is approximately 319.7km away from Melbourne City and 344.5km from the Canberra CBD, making it an area that is widely accessible from both directions. **In the past five years (to 2021), Wodonga recorded a population growth of 6.1% and an unemployment rate of 3.0%** (as of the September quarter of 2023), which was **a 1.0% decline** compared to the **12 months prior**. This signals local job growth and a vibrant economy, which translates to a higher demand for property. This is good news for investors looking for a more affordable option.

In the **past 10 years (to 2023)**, the Wodonga LGA experienced **significant median price growth for all types of property types: houses by +110.1%, vacant land +97.5%, and units by +98.9%**. Sales figures peaked in 2021, for all property types, which left the market undersupplied, with 2023 recording the lowest number of sales in the past 10 years. **This created a buffer against cash rate hikes, with Wodonga recording a median price growth of 4.7% for houses, 4.4% for vacant land, and 7.3% for units in the past 12 months (to 2023).**

In December 2023, **investors in the area benefited from house average rental yields of 4.6%**, which sits well above Melbourne Metro's 3.0%, and Canberra Metro's 3.2%. **Units recorded an average rental yield of 4.8%**, again sitting above Melbourne Metro's 4.5%, and on par with Canberra Metro's 4.9%. The Wodonga LGA recorded a **significantly low vacancy rate of 0.2% as of December 2023**, which was much lower than Melbourne Metro at 1.5%, and Canberra Metro at 2.1%. **With a median house price of approximately 37.6% lower than Melbourne and Canberra, Wodonga is a more affordable and attractive choice for first time investors.**

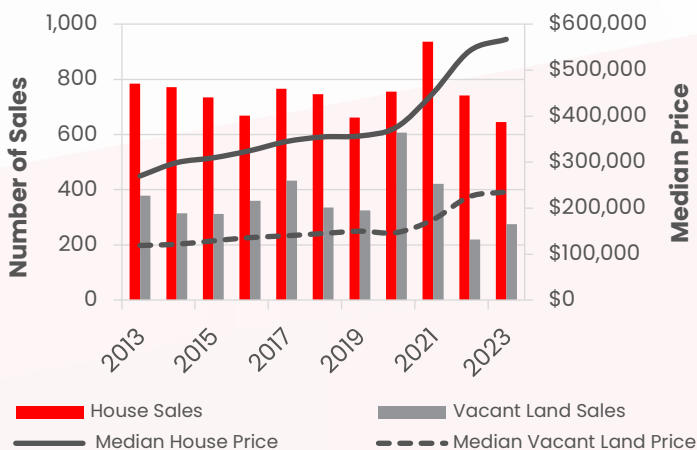
The Wodonga LGA is set to see **approximately \$388.2M* of development commence in 2024**, with a predominant focus on infrastructure projects. **From a residential perspective: 57 lots, 23 dwellings, 28 townhouses, and 17 units are planned.** Based on the number of sales on a yearly basis this is not enough stand-alone new stock for the market, which signals an undersupply will remain. **Now is an ideal time for investors to enter the market, before prices are pushed up even further.**

KEY FACTS

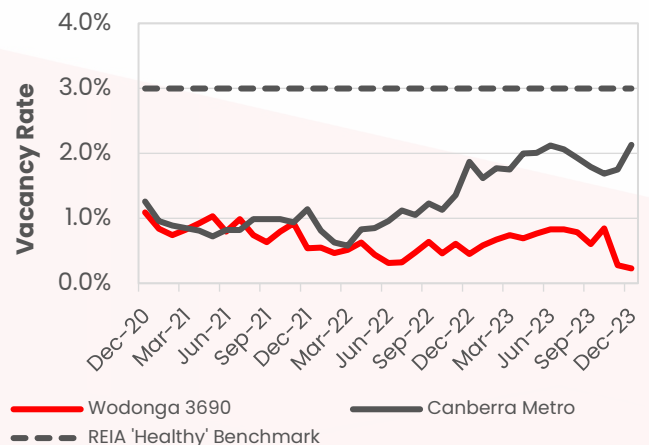
House median price (2023)	\$567,250
Land median price (2023)	\$235,000
Unit median price (2023)	\$358,000
Vacancy rate (as of Dec-23)	0.2%
House rental yield (as of Dec-23)	4.6%
Unit rental yield (as of Dec-23)	4.8%
Estimated value of developments in 2024	\$388,174,200
Total dwellings set to commence in 2024	57 Lots 23 Dwellings 28 Townhouses 17 Units
Unemployment rate (as of Sep, Quarter 2023)	3.0%
5-year population growth (from ABS ERP 2021)	+6.1% (+7018 residents)



AREA SALES & MEDIAN PRICE



VACANCY RATE



BURNIE, TASMANIA

TOP AFFORDABLE MAJOR REGIONAL AREA

The Burnie LGA is a bustling port city located in Emu Bay in the north-west of TAS. Overlooking beaches and parklands the LGA was known historically as an industrial precinct, having rich agriculture and mines. As of 2021, Burnie holds a **total population of 20,472 people, increasing by 5.5% in the past five years**. Burnie recorded an **unemployment rate of 5.6%** as of the September quarter of 2023, which shows a declining trend when compared to five years prior (at 6.0%). This suggests there is **local job growth, even with a higher population**. There is a vibrant economy in Burnie, signalling a conducive environment for investors.

In the past 10 years (to 2023), the Burnie LGA recorded a **significant median house price growth of 97.7%**. The vacant land and unit market showed the same pattern, with a **112.1% and 115.2% price growth, respectively**. Like other regional areas across Australia, the Burnie LGA recorded a spike in property sales in 2021. 2023 saw an undersupplied market, with a **price growth of 3.6% for houses, and 10.8% for vacant land in the past 12 months**, along with the smallest number of sales in the past 10 years. The unit market saw a **-2.7% median price softening in the past 12 months, which creates an opportunity for first time investors**.

As of December 2023, the Burnie LGA **recorded an average house rental yield of 3.7% which was above that of Hobart Metro at 3.5%**. The unit rental yield was **6.1%** for the LGA, which was significantly higher than Hobart Metro's at 4.5%. **Vacancy rates in Burnie were extremely low, at 0.5% as of December 2023**. This was much lower than Hobart Metro at 1.1%. This suggests a very tight rental market and quicker occupancy of rental properties. **With a median house price that is approximately 41.2% lower than Hobart Metro, the Burnie LGA is an attractive and more affordable choice for investment**.

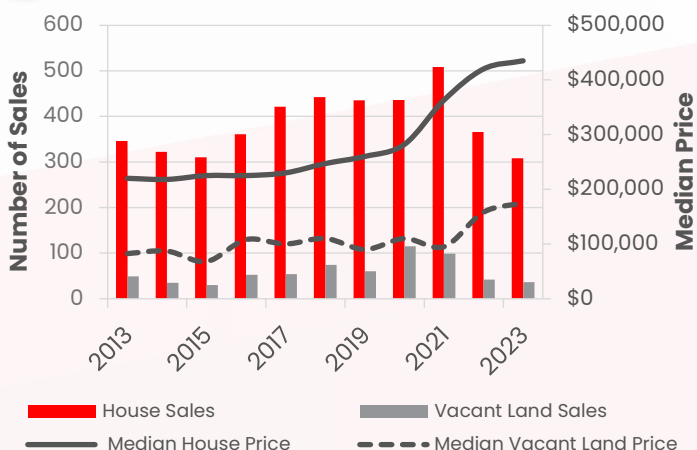
Throughout 2024, the **Burnie LGA's project pipeline is approximately \$1.6bn***, with a **significant portion on commercial development, focusing on renewable energy initiatives**. Only a few residential projects are planned, which is common for regional areas in TAS. **Approximately 85 lots and 37 dwellings are planned**, which will assist with some of the demand. **That said, this is still not enough, especially with delays in construction**. Further, price growth is expected, so now is the time for buyers to act.

KEY FACTS

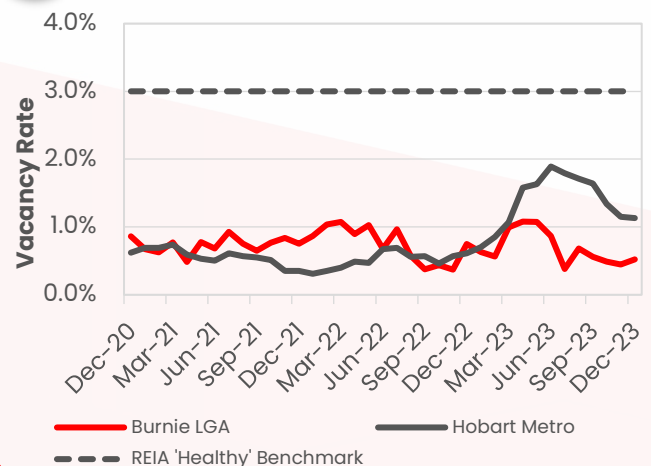
House median price (2023)	\$435,000
Land median price (2023)	\$175,000
Unit median price (2023)	\$355,000
Vacancy rate (as of Dec-23)	0.5%
House rental yield (as of Dec-23)	3.7%
Unit rental yield (as of Dec-23)	6.1%
Estimated value of developments in 2024	\$1,553,780,385
Total dwellings set to commence in 2024	85 Lots 0 Dwellings 0 Townhouses 37 Units
Unemployment rate (as of Sep, Quarter 2023)	5.6%
5-year population growth (from ABS ERP 2021)	5.5% (147 residents)



AREA SALES & MEDIAN PRICE



VACANCY RATE



QUEENSLAND & NEW SOUTH WALES TOP AFFORDABLE REGIONAL AREAS 2024

To widen the opportunities for first home buyers and investors, the below tables expand on the top 10 affordable regional LGAs selected in this report and identify the top 10 LGAs within each state. **The same methodology has been applied to select the below LGAs**, with as many criteria fulfilled as possible. **These LGAs did not make the top 10 areas in this report due to not being able to fulfill one or more of the criteria set**, however, provide a more affordable alternative to their capital respective city.

QUEENSLAND

Local Government Area	Median House Price 2023	1 Year Price Growth	10 Year Price Growth	House Sales 2023	1 Year Sales Growth	Price % to Brisbane	House Rental Yield	Vacancy Rates	Total \$\$ 2024 Project*	Total Stand-alone New Stock	Total New Land Lots
Toowoomba	\$560,000	10.9%	67.2%	3204	-15.1%	32.1%	5.0%	0.7%	\$6.1B	503	2414
Mackay	\$462,750	5.2%	8.9%	2536	-11.0%	43.9%	5.9%	0.3%	\$1.7B	232	1225
Townsville	\$420,000	5.0%	16.4%	5044	-4.8%	49.1%	5.0%	1.3%	\$3.2B	193	632
Rockhampton	\$381,000	9.2%	24.9%	2436	-13.0%	53.8%	5.1%	0.7%	\$3.1B	119	381
Fraser Coast	\$565,000	5.2%	91.5%	2562	-14.7%	31.5%	3.6%	0.6%	\$945.5M	390	2346
Ipswich City	\$581,000	9.6%	88.6%	5012	-13.4%	29.6%	4.3%	0.8%	\$2.4B	1341	2137
Whitsundays	\$480,000	10.9%	23.8%	805	5.2%	41.8%	6.1%	1.2%	\$11.7B	37	1936
Southern Downs	\$430,000	10.3%	65.4%	806	-20.7%	47.8%	4.4%	0.7%	\$131.6M	42	345
Cairns	\$585,000	6.4%	60.3%	2265	-17.1%	29.1%	5.8%	0.8%	\$2.2B	2254	661
Bundaberg	\$490,000	11.0%	71.9%	2265	-17.1%	41.0%	4.4%	0.9%	\$1.8B	171	1123

NEW SOUTH WALES

Local Government Area	Median House Price 2023	1 Year Price Growth	10 Year Price Growth	House Sales 2023	1 Year Sales Growth	Price % to Sydney	House Rental Yield	Vacancy Rates	Total \$\$ 2024 Project*	Total Stand-alone New Stock	Total New Land Lots
Dubbo	\$530,000	11.6%	76.7%	903	-17.8%	66.8%	5.8%	1.6%	\$4.7B	184	2546
Griffith	\$531,000	2.1%	104.2%	329	-2.5%	66.7%	5.0%	0.6%	\$258.7M	185	642
Tamworth	\$490,000	14.0%	73.8%	1332	-11.6%	69.3%	4.7%	1.8%	\$112.4M	64	251
Lismore	\$493,000	-25.3%	52.7%	1037	62.5%	69.1%	3.6%	1.1%	\$74.6M	59	59
Inverell	\$370,000	2.8%	74.3%	312	-17.5%	76.8%	4.9%	1.5%	\$287.8M	10	0
Wagga Wagga	\$583,500	10.1%	88.2%	1256	-12.7%	63.4%	4.4%	0.9%	\$1.4B	73	531
Goulburn	\$640,000	0.0%	107.1%	650	-11.4%	59.8%	2.9%	3.7%	\$502.6M	159	388
Bathurst	\$650,000	-3.0%	88.4%	812	-12.7%	59.2%	3.9%	1.2%	\$136.1M	51	657
Mid-Coast	\$635,000	-6.6%	92.6%	1830	-9.9%	60.2%	2.8%	0.9%	\$311.0M	230	1410
Maitland	\$701,000	-0.3%	84.5%	1711	-6.6%	56.1%	3.9%	1.0%	\$351.1M	74	1489

VICTORIA & TASMANIA TOP AFFORDABLE REGIONAL AREAS 2024

Melbourne and Hobart were the **only capital cities** (featured in this report) that saw a softer median house price in the past 12 months (to the December quarter of 2023), by **-6.8%** and **-6.3%** respectively. This creates an opportunity for first home buyers who have been waiting to enter the market. Conversely, **Sydney** and **Brisbane** saw **double digit median house price growth**, of **12.8%** and **11.5%**, respectively.

Although there is improved affordability in Melbourne and Hobart currently, the 2024 and onwards steady cash rate and higher housing demand suggest this will only be temporary. This theory is further supported by the **small number of new stand-alone houses planned for development**, with **more focus** put on **building units**. Thus, **looking outside of Melbourne and Hobart remains a beneficial strategy for first home buyers and investors.**

Only five LGAs were identified as top affordable regional areas for TAS, due to its smaller size comparatively to NSW, QLD, and VIC.

VICTORIA

Local Government Area	Median House Price 2023	1 Year Price Growth	10 Year Price Growth	House Sales 2023	1 Year Sales Growth	Price % to Melbourne	House Rental Yield	Vacancy Rates	Total \$\$ 2024 Project*	Total Stand-alone New Stock	Total New Land Lots
Ballarat	\$570,000	-4.2%	92.9%	1933	-4.4%	37.3%	3.7%	1.9%	\$2.3B	453	1242
Shepparton	\$475,000	4.4%	84.5%	835	-20.1%	47.7%	4.7%	0.9%	\$1.8B	135	1836
Wodonga	\$567,250	4.7%	110.1%	645	-12.9%	37.6%	4.6%	0.2%	\$388.2M	68	57
Bendigo	\$565,000	-3.6%	82.3%	1827	-15.2%	37.8%	3.9%	1.2%	\$986.7M	445	625
Melton	\$622,000	-2.4%	80.3%	3480	-3.6%	31.6%	3.7%	1.2%	\$6.8B	881	6746
Mitchell Shire	\$610,000	-4.2%	93.7%	866	0.5%	32.9%	3.5%	4.3%	\$645.1M	70	1596
Moira Shire	\$496,000	7.5%	125.5%	432	-23.4%	45.4%	4.4%	0.6%	\$72.9M	25	221
Campaspe Shire	\$499,500	1.9%	110.3%	540	-14.1%	45.0%	4.6%	1.5%	\$192.9M	91	551
Mildura	\$420,000	2.4%	100.0%	971	-11.0%	53.8%	5.5%	0.6%	\$636.0M	0	0
Horsham	\$400,000	1.9%	93.2%	328	-13.9%	56.0%	5.4%	1.8%	\$275.3M	0	163

TASMANIA

Local Government Area	Median House Price 2023	1 Year Price Growth	10 Year Price Growth	House Sales 2023	1 Year Sales Growth	Price % to Hobart	House Rental Yield	Vacancy Rates	Total \$\$ 2024 Project*	Total Stand-alone New Stock	Total New Land Lots
Burnie	\$435,000	3.6%	97.7%	308	-15.8%	41.2%	3.7%	0.5%	\$1.6B	37	85
Circular Head	\$405,000	6.6%	92.9%	125	-24.7%	45.3%	3.6%	0.6%	\$34.7M	31	311
Derwent Valley	\$467,500	-3.6%	90.0%	172	-6.0%	36.8%	4.0%	0.9%	\$85.6M	9	141
Devonport	\$457,500	-3.7%	89.0%	463	2.2%	38.2%	3.3%	0.7%	\$161.9M	56	313
Dorset	\$466,000	3.6%	110.6%	132	5.6%	37.0%	3.6%	2.2%	\$28.8M	50	0

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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.

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