

KYOGLE AREA

Property Watch®

PRD nationwide



[Typical 4 Bedroom charming house, located in 8 Rous Street Kyogle](#)

MARKET INDICATORS

Change from Last	Year	Half Year
HOUSE SALES	↑	↑
HOUSE MEDIAN	↓	↑

The indicators depicted above are based on the year ending March 2013.

KEY HIGHLIGHTS

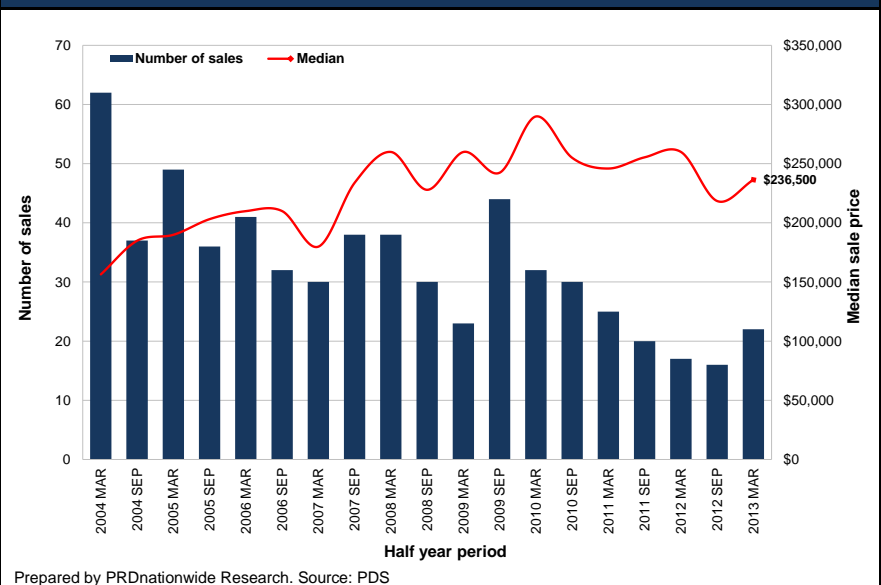
- House sales below \$250,000 accounted for 63.6 per cent of total sales in the March 2013 six months.
- Strong buyer enquiry arriving from South East Queensland attracted by the reduced interest rates, and relative affordability offered in Kyogle.
- There is a total proposed investment of just over \$17 million in the Kyogle Area pipeline, with limited residential development currently occurring within the Kyogle Area.

KYOGLE AREA MARKET OVERVIEW

The following Property Watch report is the result of an investigation into the historic and current market trends of the Kyogle Area, which encompasses the suburbs of Kyogle, Geneva, and New Park.

Over the past six months ending March 2013, the Kyogle property market had experienced renewed buyer confidence, after a three year period in which the market observed a significant contraction of sales activity. Buyer enquiry has improved throughout the beginning of 2013, with investors slowly arriving after being drawn in by reduced interest rates and the relative affordability offered in Kyogle. Activity in the past six months is up 37.5 per cent, and a result of this increase in demand has caused the median house price to grow 8.2 per cent, to \$236,500. A large portion of the buyer enquiry derives from Southern Queensland (mainly the Gold Coast) where people might come for a day trip and like the small-town, local country atmosphere.

KYOGLE AREA HOUSE SALES CYCLE



Local enquiry levels are also increasing, as renewed optimism that the market is improving spreads. Local retirees are looking to shift from larger properties to move closer to town and downsize however there is a lack of appropriate low-maintenance "brick and tile" style homes available on the market.

The majority of house sales occur in the affordable price range of \$150,000 to \$249,999, with almost two thirds of the total sales (63.6 per cent). Observing the House Price Points graph, it is shown that the underlying activity trend has seen houses becoming more and more affordable over the past couple years. Early indications for the second quarter of 2013 show that appropriately priced property within the \$200,000 to \$250,000 price bracket sell quickly.

Through the **affordability** of a lower median price, **investors** are realising **strong** investment return with an average **six per cent** gross yield.

CURRENT MARKET WEEKLY ASKING RENTS

House	Average Wkly Price
2 Bedrooms	\$225
3 Bedrooms	\$274
4 Bedrooms	\$280

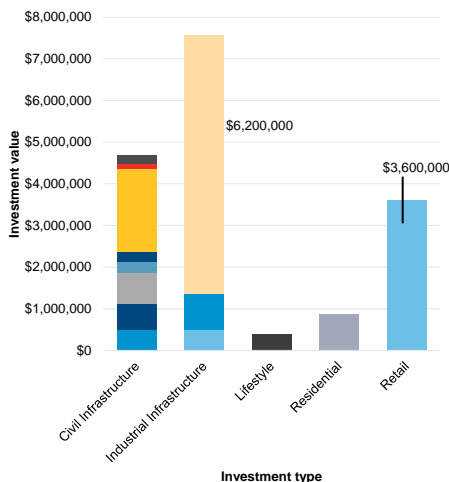
Prepared by PRDnationwide Research. Source: Realestate.com.au

AVERAGE GROSS RENTAL YIELD 3 BEDROOM HOUSE



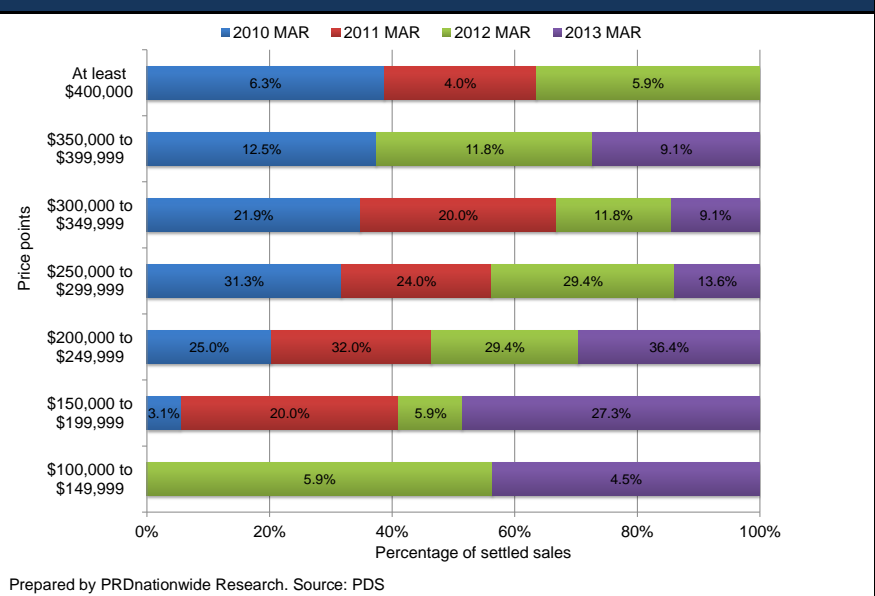
Prepared by PRDnationwide Research. Source: PDS, Realestate.com.au

INVESTMENT PIPELINE



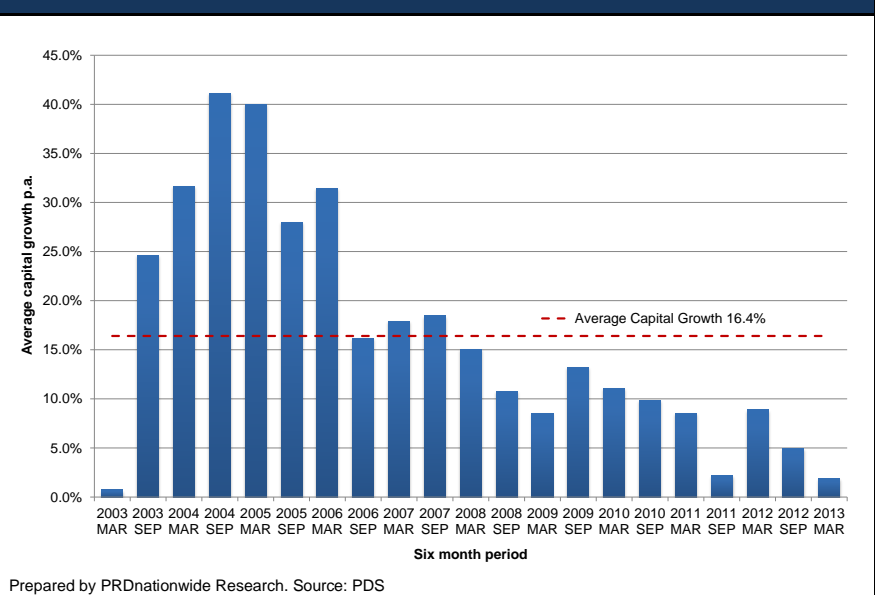
Prepared by PRDnationwide Research. Source: Cordell

KYOGLE AREA HOUSE PRICE POINTS



A rental analysis of houses available to rent on the market shows little price difference between the average weekly asking price of a three bedroom house (\$274p/w) and four bedroom house (\$280p/w). Through the affordability of a lower median price, investors are realising strong return on investment with an average six per cent gross yield.

KYOGLE AREA AVERAGE CAPITAL GROWTH HOUSES



A resale analysis was conducted on Kyogle Area houses resold up to the March 2013 six month period, to reveal the average annual capital appreciation realised in this region. The analysis yielded a strong average annual capital growth of 16.4 per cent per annum over the past decade. These houses were held for an average period of four years, indicating this strong level of growth was primarily attained prior to the credit crisis which unfolded during 2008, slowing the strong growth achieved in housing values.

There is a total proposed investment of just over \$17 million in the Kyogle Area pipeline, with the largest portion of investment allocated to the 200 lot Mayfield Estate residential development, which is within the first stage of release. While there is limited residential development currently occurring within the Kyogle Area, a large potential exists for development opportunity in buying land close to the town centre and building low maintenance, brick and tile style of product.