

QUEANBEYAN RENTAL

Property Watch®



A rental property in Elm Way, Jerrabomberra

MARKET INDICATORS

| Change from Last | Year | Half Year |
|------------------|------|-----------|
| HOUSE SALES | ↓ | ↑ |
| HOUSE MEDIAN | ↓ | ↓ |
| HOUSE RENTS | ↓ | ↓ |
| UNIT SALES | ↓ | ↓ |
| UNIT MEDIAN | ↓ | ↑ |
| UNIT RENTS | ↓ | ↓ |

The indicators depicted above are based on the year ending April 2013. Rental indicators are based on 12 months to June 2013.

KEY HIGHLIGHTS

- Demand for rental properties increased between 2008 and 2012.
- 2013 saw a decline in demand for rental properties in Canberra and a subsequent correction in Queanbeyan.

MARKET OVERVIEW

The following Property Watch report investigates the Queanbeyan rental market. The region comprises the suburbs of Crestwood, Googong, Greenleigh, Jerrabomberra, Karabar, Queanbeyan, Queanbeyan East and Queanbeyan West.

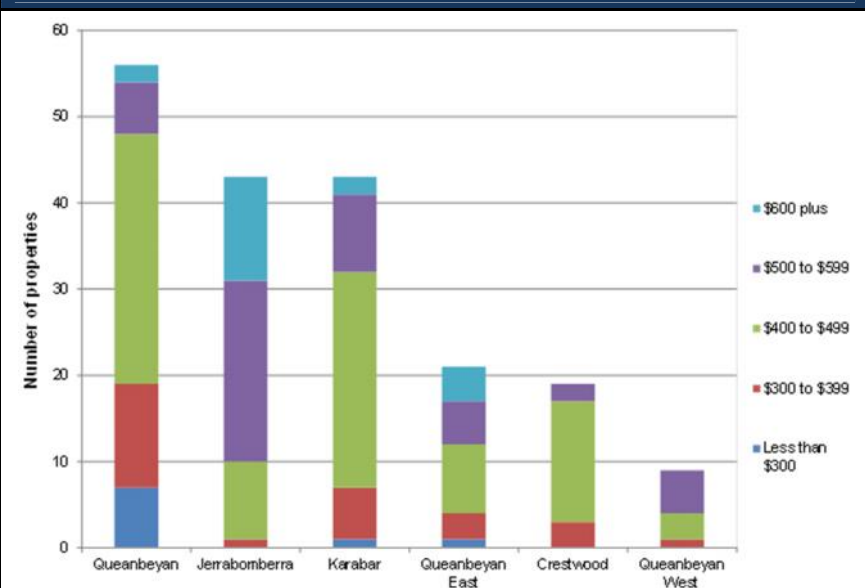
Demand for rental properties in the area increased between 2008 and 2012 as an affordable alternative to Canberra's firm rent prices. However, 2013 saw a decline in demand for rental properties in Canberra and a subsequent correction in Queanbeyan's rental market.

HOUSES

The graph below provides a price point breakdown for houses in each of the region's suburbs. Queanbeyan recorded the largest concentration of houses for rent, with 56 detached dwellings advertised for rent. Most of the suburb's properties were advertised between \$400 and \$499 per week.

Jerrabomberra and Karabar each had 43 properties available for rent. Most of the rental houses in Jerrabomberra were advertised for \$500 plus per week, while a large share of houses in Karabar was advertised for a weekly rent of between \$400 and \$499, making it the region's second most affordable suburb.

QUEANBEYAN REGION HOUSE RENT PRICES BY SUBURB



Graph prepared by PRDnationwide Research. Source: RP Data

HOUSE RENTAL PRICE POINTS 6 MONTHS TO JUNE 2013

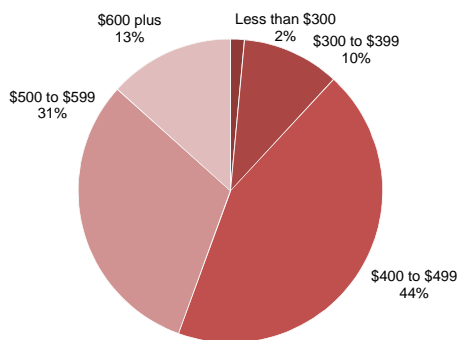


Chart prepared by PRDnationwide Research. Source: RP Data

Record-low interest rates and greater **political certainty** are expected to turn more **tenants** into **owners** in the fourth quarter of **2013**

UNIT RENTAL PRICE POINTS 6 MONTHS TO JUNE 2013

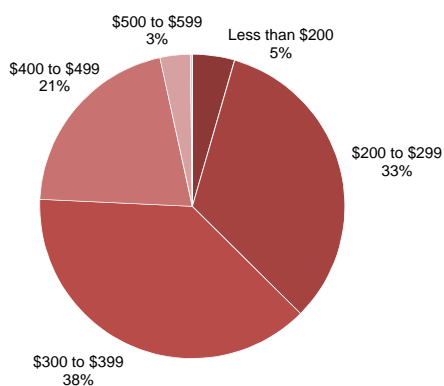


Chart prepared by PRDnationwide Research. Source: RP Data

Observing House Rental Price Point points to a high level of stock in the \$400 to \$499 price point (44 per cent); landlords who own properties in this rental price bracket may experience a diminishing demand from tenants, as supply remains high. That said, tenants are expected to maintain demand for properties toward the lower end of the market, giving landlords in the \$300 to \$399 rent bracket and under flexibility with tenant selections.

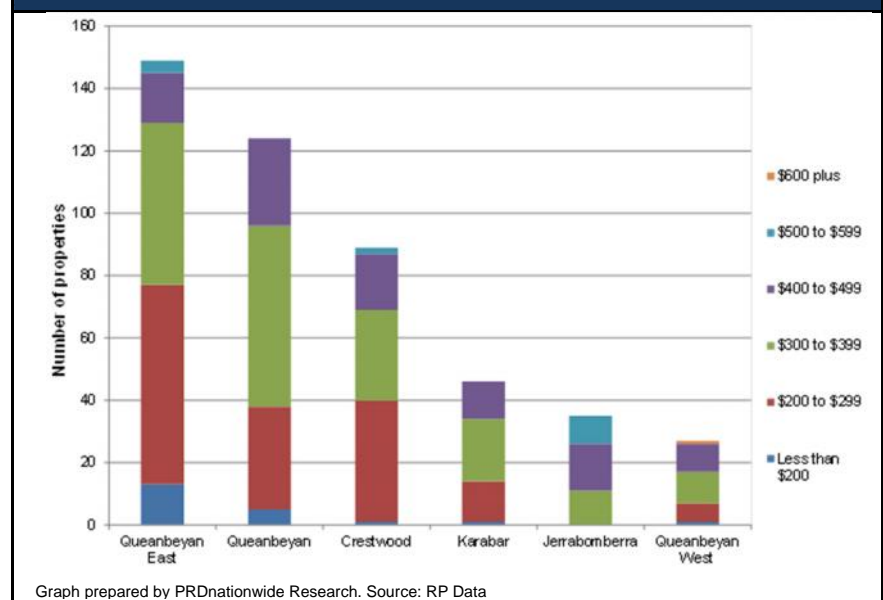
UNITS

The graph below provides a price point breakdown for units in each of the region's suburbs. Queanbeyan East registered the highest number of units for rent, with 149 attached properties advertised in the first half of 2013, followed by Queanbeyan with 124. In Queanbeyan East the highest share of properties was advertised between \$200 and \$299 per week (43 per cent) followed by the \$300 to \$399 rent bracket (35 per cent). This highlighted the suburb's affordability compared to the region's average.

In contrast, most units in the Queanbeyan Region were advertised for rent between \$300 and \$399 per week, although a good supply of affordable stock remained, with one third (33 per cent) of rental units advertised in the \$200 to \$299 bracket. However, the lowest end of the market contracted, with only two per cent of the unit stock advertised for less than \$200 per week.

The total number of units advertised for sale over the June half year was greater than the number of houses by a multiple of 2.6, suggesting an oversupplied unit market.

QUEANBEYAN REGION UNIT RENT PRICES BY SUBURB



Graph prepared by PRDnationwide Research. Source: RP Data

Further softening is likely in the fourth quarter as more tenants become home owners. Record-low mortgage rates and greater political certainty are expected to further boost this trend.

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