





INNER NORTH MARKET UPDATE 2nd Half 2019



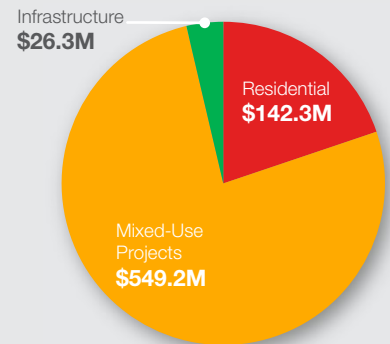
OVERVIEW

In Q3 2019, the Inner North* recorded a median house price of \$858,000, and a median unit price of \$484,000. This represents annual (Q3 2018 – Q3 2019) median price changes of -7.2% for houses and -3.2% for units. At the same time, total sales in both markets slowed for Q3 2019, down by -28.5% for houses to 88 sales and by -15.6% for units to 189 sales. Now is an ideal time to enter the market, with lower prices and fewer competitive buyers in the area.

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

FUTURE DEVELOPMENTS

The Inner North* area is set to see approximately **\$717.8M of projects commence in the 2nd half of 2019.**



A major focus on mixed-use projects is key for economic growth in the Inner North*. Firstly this will diversify property stock in the Inner North*. This strategy will also, through a variety of commercial activities, lead to local employment growth. This will lead to population growth, which will absorb the new housing stock.

A main mixed-use project for the 2nd half 2019 period is Dickson on Northbourne Soho (\$189.9M). The project is set to add 1,000 units to the Inner North*. With such an influx of property stock development activity into the area there is a need for greater level of investment into infrastructure, to ensure the Inner North* is well-supported with appropriate services.

MARKET CONDITIONS

SALES MEDIAN PRICE Q3 2019



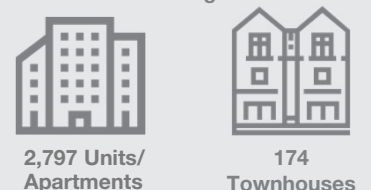
SALES AVERAGE DAYS ON MARKET Q3 2019



RENTAL MEDIAN PRICE Q3 2019



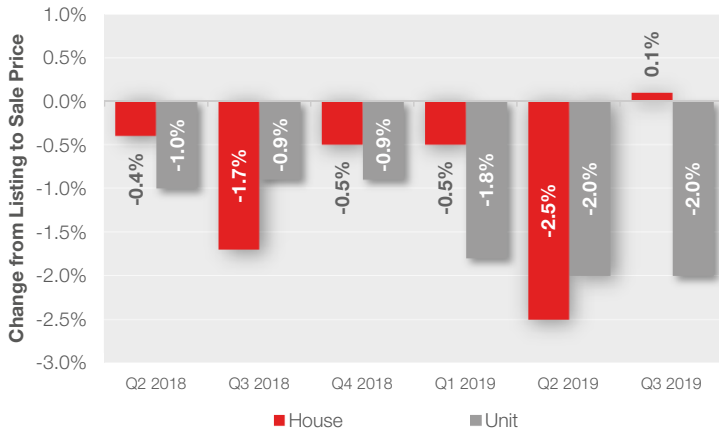
RENTAL AVERAGE DAYS ON MARKET Q3 2019



*Inner North market data and key indicators encapsulates aggregate property market conditions within the postcodes 2602 and 2612.
 **Estimated values are based on construction value provided by the relevant data authority and does not reflect commercial and/or re-sale value.
 Source: APM Pricerfinder, Cordell Connect database. © Copyright PRDnationwide 2019.

AVERAGE VENDOR DISCOUNT*

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.



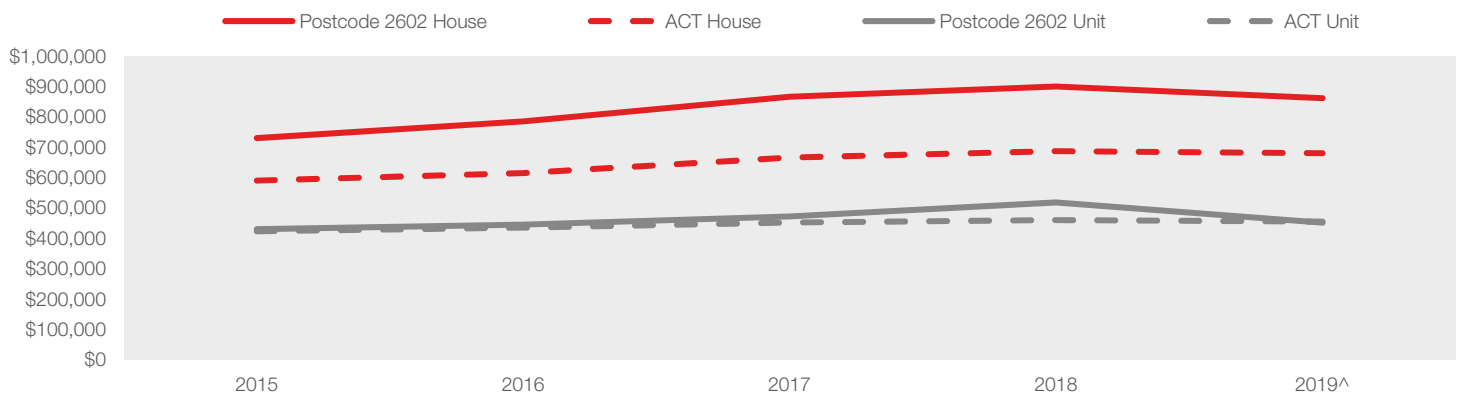
KEY COMMENTS

Average vendor discount between Q3 2018 and Q3 2019 widened for units to -2.0% and swung to 0.1% for houses. Market conditions in the Inner North* have now shifted to marginally favour vendors, meaning sellers are able to achieve sale prices above their initial asking price. In contrast, unit sellers are willing to negotiate below their initial listing price, suggesting now is the time to enter the market.

The Postcode 2602 area has historically outperformed the wider Australian Capital Territory (ACT) area in median house price, which has continued across 2019[^]. In contrast, units continue to present a more on-par market with the ACT.

32.0% of houses sold in the Inner North* across 2019[^] were priced above \$1,000,000. By comparison, units recorded a dominant lower-end price point of less than \$400,000 over the same period (36.2%). This reveals there is opportunity for buyers with a range of budgets in the Inner North* market.

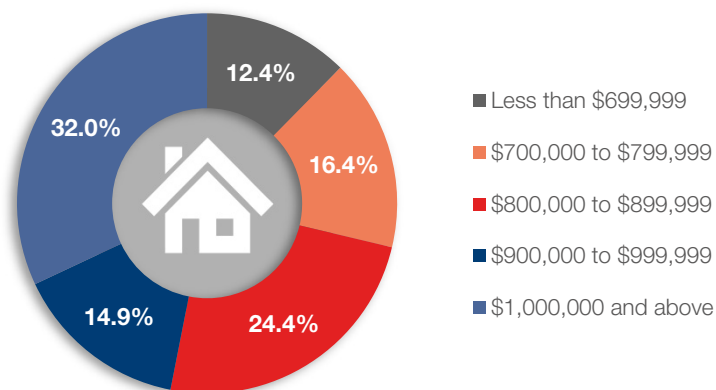
MARKET COMPARISON



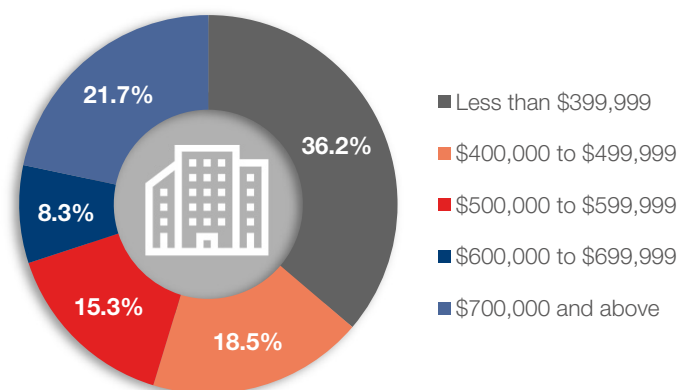
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main postcode analysed, which is Postcode 2602.

PRICE BREAKDOWN 2019[^]

HOUSES SOLD



UNITS SOLD

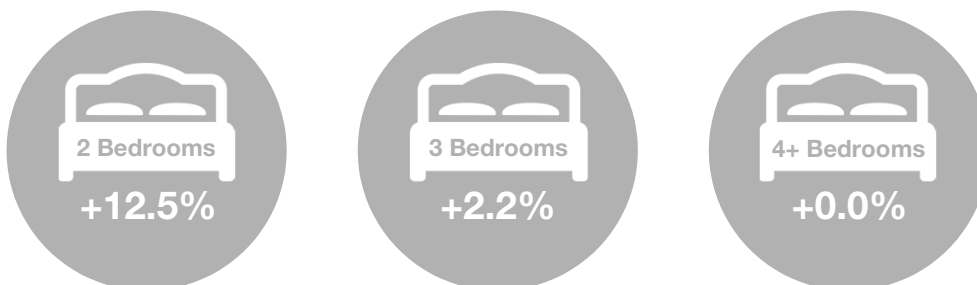


RENTAL GROWTH 2019*

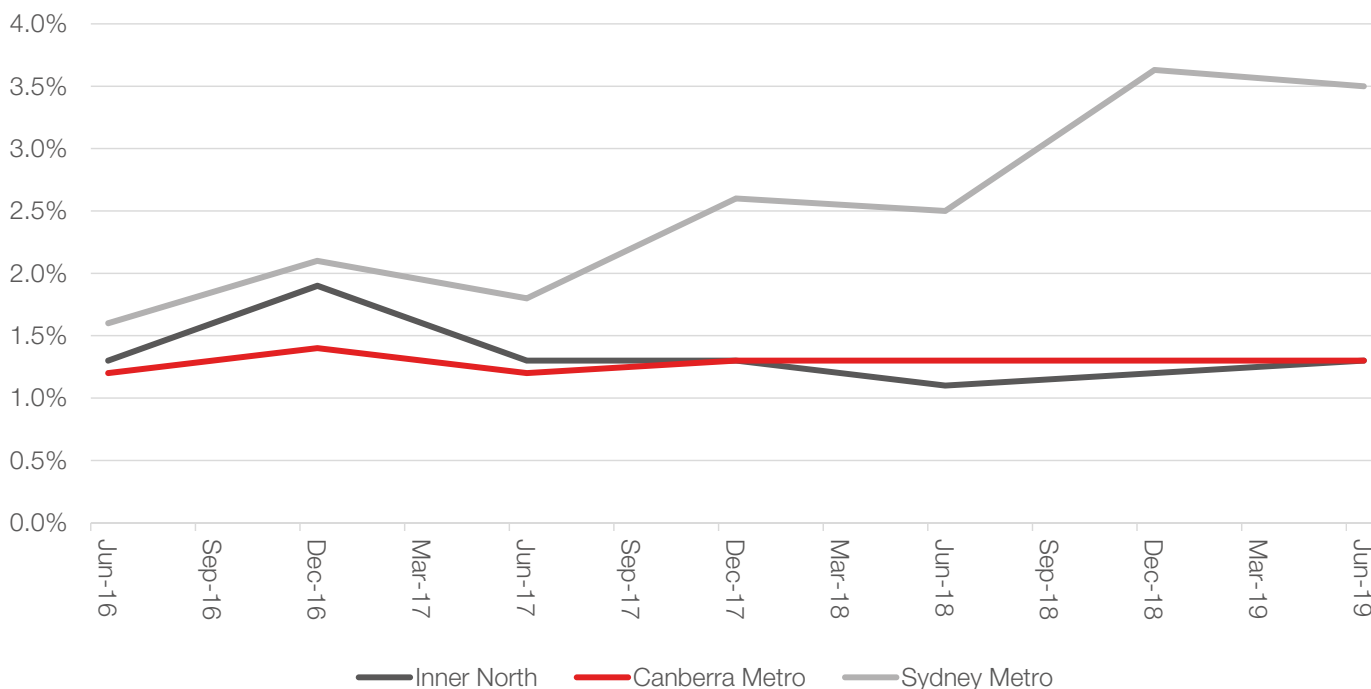
Over the past 12 months, house rental yields in the Inner North* have compressed to reach 4.1% in June 2019. This suggests that the house rental market is in a healthy position for investors, as demand for rental properties in the region across the same time period also increased (up by a significant +32.3% in the 12 months to Q3 2019).

2 bedroom houses have provided investors with +12.5% rental growth annually, achieving a median rent of \$580 per week.

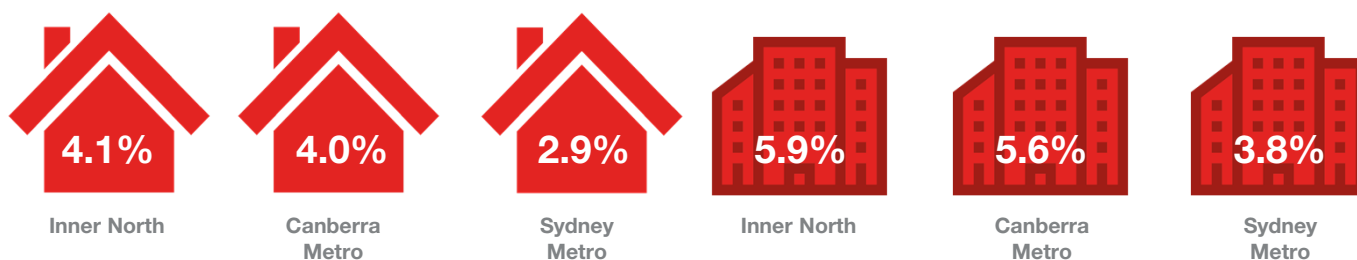
The Inner North* recorded a vacancy rate of 1.3% in June 2019, on-par with Canberra Metro's 1.3% average and much lower than Sydney Metro's 3.5%. This further confirms a healthy rental demand exists for properties in the Inner North*.



RENTAL VACANCY RATES 2019



RENTAL YIELD 2019^

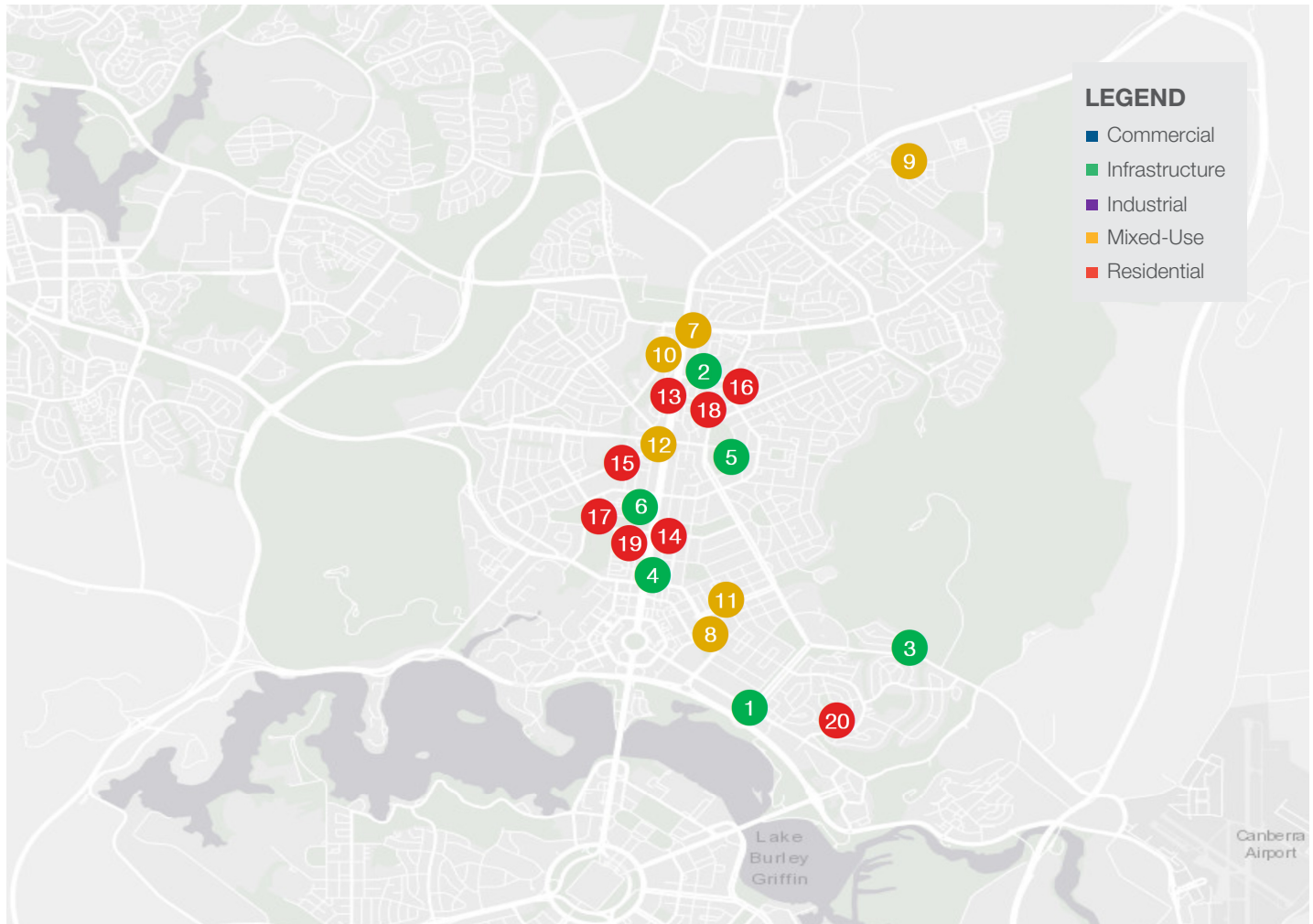


*Rental performance graph represents aggregate house median rent prices within the postcodes 2602 and 2612. Annual rental growth is a comparison between 2018 and 2019 (Q1 – Q3) house median rent figures.

^Rental yields shown are as reported at June 2019.

Source: APM Pricefinder, SQM Research. © Copyright PRDnationwide 2019.

PROJECT DEVELOPMENT MAP 2ND HALF 2019*



Location	Project**	Type	Estimated Value***	Commence Date****
1	Campbell Section 5 Estate - The Parade	Infrastructure	\$9,350,000	12/11/2019
2	Lowrie Street Apartments (an ACT Government project)	Infrastructure	\$5,604,000	14/10/2019
3	Australian Defence Force Academy Sports Centre	Infrastructure	\$4,000,000	25/11/2019
4	Amsa Head Office	Infrastructure	\$3,500,000	18/10/2019
5	Angas & Kunzea Streets Roadworks	Infrastructure	\$2,000,000	15/11/2019
6	Forbes Street Units (an ACT Government project)	Infrastructure	\$1,863,000	30/09/2019
7	Dickson On Northbourne - Soho - Overall (1,000 Units)	Mixed-Use	\$189,900,000	16/11/2019
8	Section 7 Reid - Metropoli City 7 (522 Apartments)	Mixed-Use	\$163,844,000	24/09/2019
9	Watson Development - Norrebro (186 Apartments, 134 Townhouses)	Mixed-Use	\$74,200,000	26/12/2019
10	Dickson Interchange (190 Units)	Mixed-Use	\$68,544,000	25/11/2019
11	Founders Lane (254 Apartments)	Mixed-Use	\$42,841,000	20/12/2019
12	Midtown (81 Apartments)	Mixed-Use	\$9,852,000	04/12/2019
13	Soho - Stage 1 - Mulberry (409 Apartments)	Residential	\$92,911,000	30/09/2019
14	Lyneham On Northbourne – Embark (147 Apartments)	Residential	\$31,066,000	22/07/2019
15	David & Forbes Streets Townhouses – Tempus (19 Townhouses)	Residential	\$5,220,000	21/09/2019
16	Stockdale Street Townhouses (9 Townhouses)	Residential	\$3,706,000	12/08/2019
17	Holder Street Dwellings – Firenze (8 Dwellings)	Residential	\$3,059,000	15/11/2019
18	Dooring & Stockdale Streets Townhouses - Eighty Eight (8 Townhouses)	Residential	\$2,697,000	25/11/2019
19	Macleay Street Units (8 Units)	Residential	\$1,865,000	28/08/2019
20	Jacka Crescent Townhouses (4 Townhouses)	Residential	\$1,815,000	25/09/2019

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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