



> Stand Out Regions

Top 10 Affordable Regional Areas 2021

HOME AFFORDABILITY QLD, NSW, VIC & TAS

AFFORDABILITY

A high influx of first home buyers entered the property market in 2020, resulting in a growth of 50.4% between the December quarters of 2019 and 2020. This is mainly due to Federal and State Government incentives, where schemes were put in place to help first home buyers set foot in the market post-COVID-19 restrictions. This further boosted an already strong market with record low interest rates and increasingly lenient bank lending policies.

In the December quarter of 2020, all capital cities saw a surge in price growth annually. The weighted average Australian median house price increased by 6.0% to \$825,205, and the Australian median family weekly income grew by 1.8% over the same period. However, this was not on-par with house price growth, resulting in the home affordability index decreasing by -1.8%.

Housing affordability is now more than ever an issue, especially within metro capital cities. Regional areas have become the most attractive option in 2020 due to flexible remote working being introduced amidst COVID-19 lockdowns and restrictions. Many regional markets have seen buyers capitalising on lower median property prices. Regional areas have also become an attractive investment option over city capitals, as vacancy rates have been at record low levels, while also offering a higher rental return. With metro capital cities becoming increasingly

unaffordable, now is an opportune time to identify key regional growth areas for those looking to purchase in a more affordable market.

This report highlights affordable regional areas in Queensland (QLD), Victoria (VIC), New South Wales (NSW) and Tasmania (TAS).

TABLE 1. MEDIAN HOUSE PRICE AND AVERAGE STATE LOAN

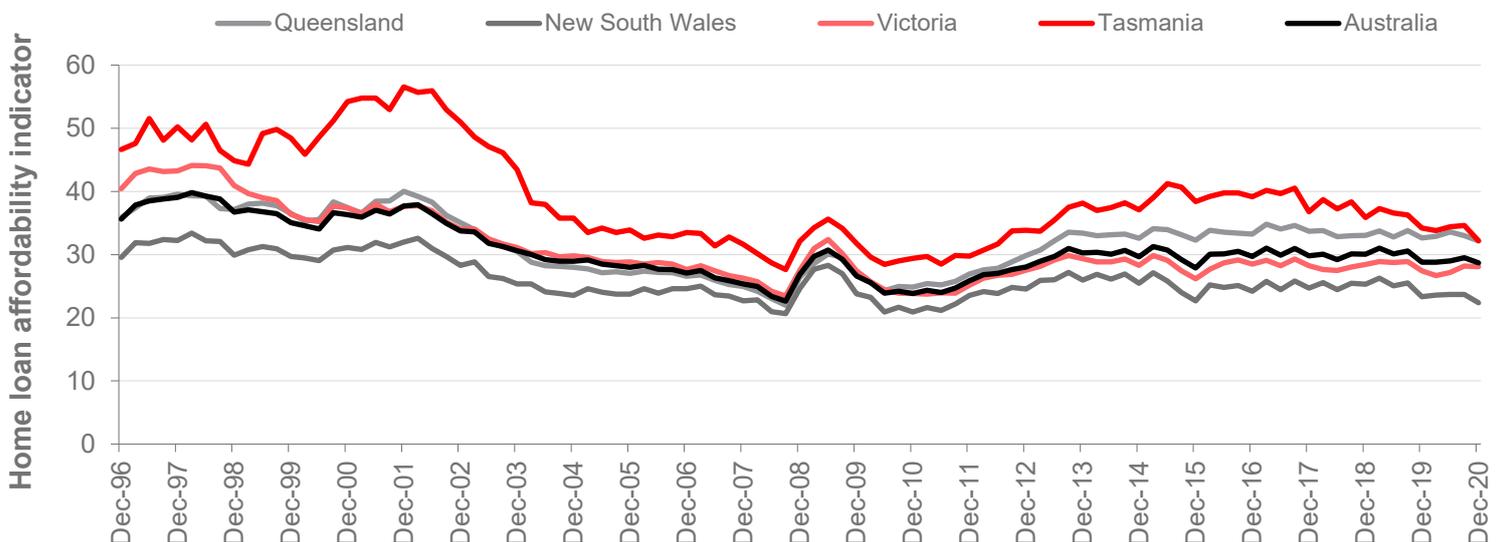
Location	Median House Price (Dec Quarter 2020)	Average State Loan (Dec Quarter 2020)
Brisbane, QLD	\$570,000	\$438,141
Sydney, NSW	\$1,211,488	\$645,743
Melbourne, VIC	\$941,000	\$506,328
Hobart, TAS	\$590,000	\$373,521

Source: Real Estate Market Facts Report December Quarter 2020 and Housing Affordability Report December Quarter 2020 by Real Estate Institute of Australia. Prepared by PRD Research.

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

The home loan affordability index reflects the ratio of median family income in relation to average loan repayments. The graph below compares the four states in this report, along with the Australian national average. Home loan affordability has been at the lower end of the scale since its peak in 2001, with December 2020 figures showing a slight decline, after improving in September 2020. In the past 12 months, TAS has not been on-par with QLD's affordability. VIC sits close to the national average, while NSW remains the least affordable.

HOME LOAN AFFORDABILITY INDEX COMPARISON



RESILIENT REGIONS

METHODOLOGY - SELECTION

CRITERIA

Affordability – the Local Government Area (LGA) has a median price below the maximum affordable property sale price (average state loan + 20% deposit).

Property trends – to ensure statistical reliability, the LGA considered will have 20 transactions or more in 2019 and 2020, with positive price growth within that time period.

Investment – to ensure solid 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 the September quarter of 2020, 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, with solid fundamentals for sustainable future growth.

QUEENSLAND
Whitsunday
Toowoomba
Mackay
NEW SOUTH WALES
Port Stephens
Federation
Greater Hume
VICTORIA
Greater Geelong
Greater Bendigo
Warrnambool
TASMANIA
Circular Head

AFFORDABLE REGIONAL AREAS WITH SOLID GROWTH FUNDAMENTALS



TOP AFFORDABLE MAJOR REGIONAL AREA

WHITSUNDAY, QLD

The Whitsunday LGA is a tropical coastal area in the north of QLD that has recorded a 5-year population growth of 2.9% (+995 residents) to 2019. In the September quarter of 2020, Whitsunday LGA saw unemployment of 6.4%, sitting below QLD's average of 6.8%. This signals local job growth, which is a positive beginning to post-COVID-19 restrictions.

Median price growth in the Whitsunday LGA over the past 10 years (2011-2020) has been significant for houses, showing a growth of +27.6%. In the same timeframe, there has been a modest price growth for land of +3.3%, however, units softened by -7.4%. During the last quarter of 2020, the property market in the Whitsunday LGA saw a spike in demand, as a well-known tourism regional area within QLD. The market is heading towards a post-COVID-19 recovery, meaning now is an ideal time to transact, with unique opportunities for both sellers and buyers.

In December 2020, investors in the Whitsunday LGA benefited from average rental yields of 5.7% for houses, sitting well above Brisbane Metro (3.7%). Units in the Whitsunday LGA recorded an average rental yield of 6.7%. Furthermore, vacancy rates were at a low 1.5% for the same period, below that of Brisbane Metro (1.8%). Vacancy rates have trended down since May 2020, suggesting there is quicker occupancy of investment properties. This confirms investors can be confident in their decision to enter the Whitsunday LGA market, as it is an exemplary of strong resilience, even amidst COVID-19. With a lower entry price compared to Brisbane, first time investors are encouraged to enter.

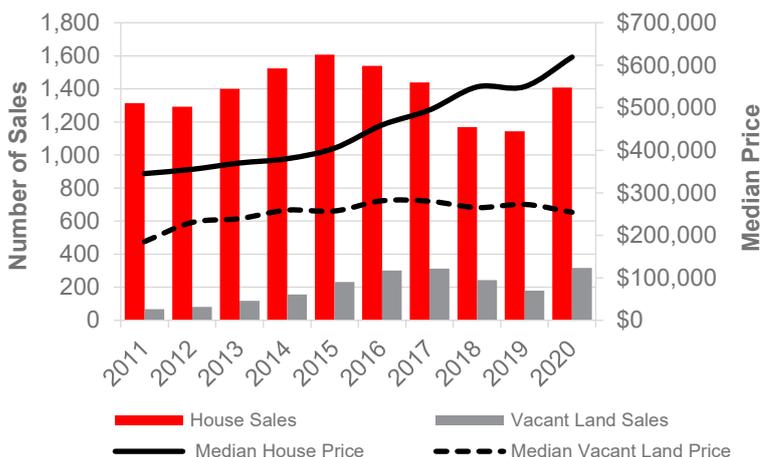
Whitsunday LGA is set to see a total of \$1.4B* worth of project development commence throughout 2021, with a large component being commercial projects. A predominant focus on commercial projects is ideal for the area, as it signals the creation of new businesses and improved services, all of which has the potential to create more jobs and stimulate a more vibrant economy. A total of 514 lots and 216 dwellings will be added to the Whitsunday LGA market, which will cater to the increasing population growth in the area.



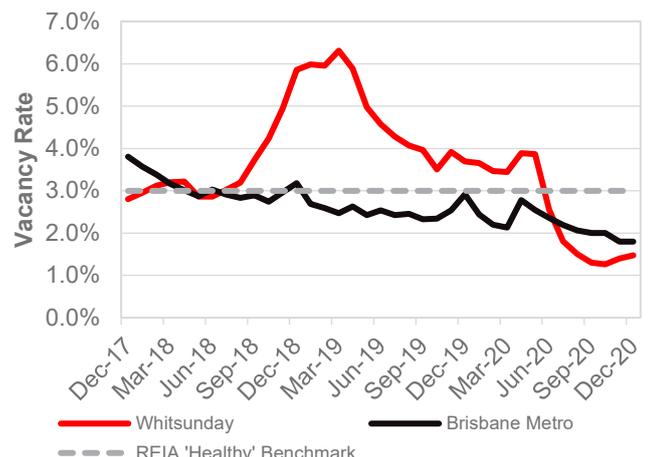
KEY FACTS

House median price (2020)	\$375,000
Land median price (2020)	\$155,000
Unit median price (2020)	\$260,000
Vacancy rate (as of Dec-20)	1.5%
House rental yield (as of Dec-20)	5.7%
Unit rental yield (as of Dec-20)	6.7%
Estimated value of developments in 2021	\$1,486,900,000
Total dwellings set to commence in 2021	514 lots 216 dwellings
Unemployment rate (as of Sep Quarter 2020)	6.4%
5-year population growth (from ABS ERP 2019)	2.9% (+995 residents)

AREA SALES & MEDIAN PRICE



VACANCY RATE



*Disclaimer: Estimated value is the value of construction costs as per provided by the relevant data authority, it does not reflect the project's sale/commercial value. Source: APM Pricerfinder, SQM Research, Cordell Database, Australian Bureau of Statistics, Australian Government Department of Jobs and Small Business. © PRD 2021.

TOP AFFORDABLE MAJOR REGIONAL AREA

TOOWOOMBA, QLD

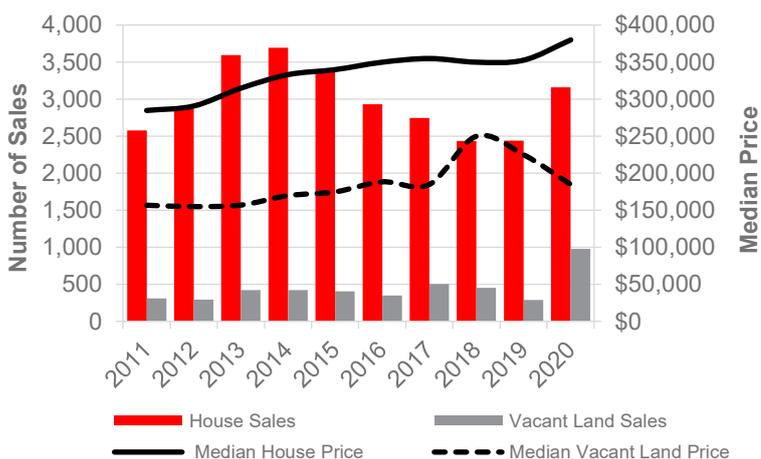
The Toowoomba LGA is a sought after region, forming part of the South-East Queensland (SEQ) Council of Mayors organisation. It is also home of the well-known Carnival of Flowers, celebrated each September, and the University of South Queensland. Toowoomba LGA experienced a 5-year population growth of +4.6% (+7,485 residents) in 2019, which is predicted to continue to increase over time due to flexible working conditions being introduced. In the September quarter of 2020, the area recorded an unemployment rate of 6.7%, sitting relatively close to QLD's average of 6.8%.

Over the past 10 years (2011-2020), the Toowoomba LGA experienced positive median price growth for all residential property types: houses saw +33.3%, land +17.8%, and units +26.0%. This is great news for sellers as they can capitalise in the current sellers' market and achieve final sale prices closer to their expectations. The Toowoomba LGA property market is on a COVID-19 recovery trajectory, making now an ideal time to transact in the area.

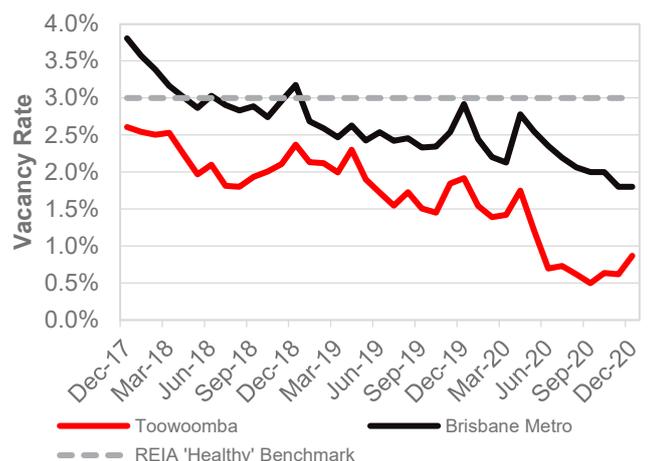
In December 2020, investors in Toowoomba LGA benefited from 5.0% average rental yields for houses, which sits well above Brisbane Metro (3.7%). Units recorded an average rental yield of 5.3% over the same period. Furthermore, Toowoomba LGA recorded a significantly low vacancy rate of 0.9%, well below that of Brisbane Metro (1.8%). This confirms there is a strong demand in the rental market even amidst COVID-19, thus investors can be confident in their decision to enter the Toowoomba LGA market.

The Toowoomba LGA is set to see a total of \$1.3B* worth of development activity commence throughout 2021, with a large focus in industrial projects. This is ideal for the Toowoomba LGA, as it signals new businesses and improved services. This will create new jobs in pre and post-construction phases, which will stimulate a more vibrant economy. A total of 381 lots and 230 dwellings will be added to the Toowoomba LGA market, which will assist with managing population growth in the area.

AREA SALES & MEDIAN PRICE



VACANCY RATE



KEY FACTS

House median price (2020)	\$380,000
Land median price (2020)	\$185,000
Unit median price (2020)	\$315,000
Vacancy rate (as of Dec-20)	0.9%
House rental yield (as of Dec-20)	5.0%
Unit rental yield (as of Dec-20)	5.3%
Estimated value of developments in 2021	\$1,360,261,000
Total dwellings set to commence in 2021	381 lots 230 dwellings
Unemployment rate (as of Sep Quarter 2020)	6.7%
5-year population growth (from ABS ERP 2019)	4.6% (+7,485 residents)

*Disclaimer: Estimated value is the value of construction costs as per provided by the relevant data authority, it does not reflect the project's sale/commercial value. Source: APM Pricerfinder, SQM Research, Cordell Database, Australian Bureau of Statistics, Australian Government Department of Jobs and Small Business. © PRD 2021.

TOP AFFORDABLE MAJOR REGIONAL AREA

MACKAY, QLD

The Mackay LGA is a coastal area located in north QLD known for its close connection to the Great Barrier Reef. In the past 5 years (to 2019), there has been a -1.8% softening in population, which is not abnormal for a regional area. A high level of infrastructure and commercial projects are planned in 2021, and with COVID-19 triggering lifestyle changes for Australians, population growth is imminent. In the September quarter of 2020, the Mackay LGA recorded an unemployment rate of 5.5%, sitting well below QLD's 6.8%. This is great news for the area as it signals local job growth and a healthy economy, particularly post COVID-19 restrictions.

Median house price growth in the Mackay LGA in the past 10 years (2011-2020) has been modest compared to the Whitsunday and Toowoomba LGA's, however assuring at +8.6%. At the same time, there has been market softening in both the land (-40.3%) and unit (-26.6%) markets, creating a more affordable market for first home buyers. Now is an ideal time to transact, with unique opportunities for sellers and buyers.

In December 2020, investors in Mackay LGA benefited from average rental yields of 5.6% for houses, which sits well above Brisbane Metro (3.7%). Units recorded an average rental yield of 6.0% over the same period. Furthermore, vacancy rates were recorded at a low 0.9%, which was below Brisbane Metro (1.8%) for the same period. Low vacancy rates coupled with high rental returns suggest rental market resilience in Mackay amidst COVID-19. With the current record low interest rate environment, investors are encouraged to take this opportunity to re-enter the market which is well-positioned for further recovery in 2021.

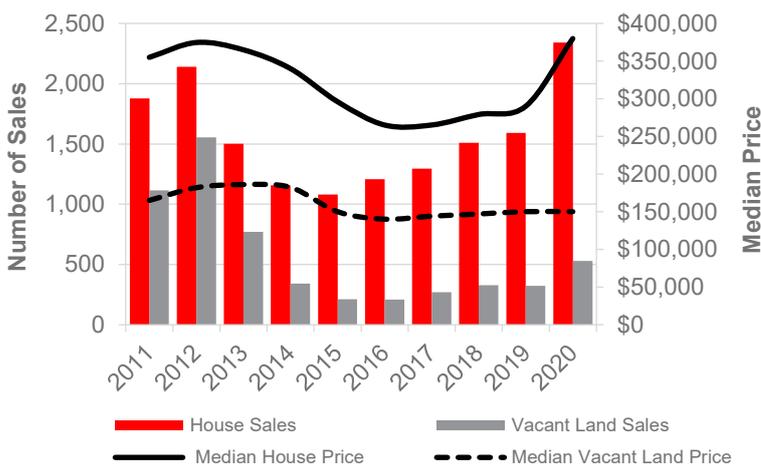
The Mackay LGA is set to see an estimated \$1.1B* worth of project development commence throughout 2021, with a large component of this being infrastructure and commercial developments. A key focus on commercial projects is ideal for the area, as it signals new businesses, local jobs, and economic growth. Infrastructure projects will improve liveability for residents and create new jobs in the construction phase, which will assist in boosting population growth.



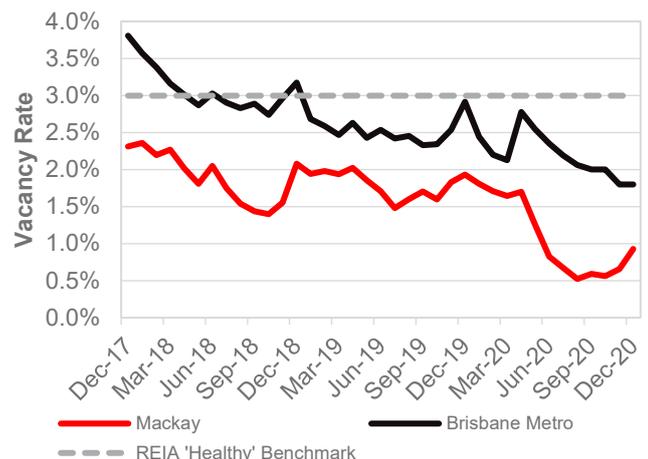
KEY FACTS

House median price (2020)	\$380,000
Land median price (2020)	\$179,000
Unit median price (2020)	\$235,000
Vacancy rate (as of Dec-20)	0.9%
House rental yield (as of Dec-20)	5.6%
Unit rental yield (as of Dec-20)	6.0%
Estimated value of developments in 2021	\$1,109,437,000
Total dwellings set to commence in 2021	914 lots 6 dwellings
Unemployment rate (as of Sep Quarter 2020)	5.5%
5-year population growth (from ABS ERP 2019)	-1.8% (-2,153 residents)

AREA SALES & MEDIAN PRICE



VACANCY RATE



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TOP AFFORDABLE MAJOR REGIONAL AREA

PORT STEPHENS, NSW

The Port Stephens LGA is a coastal area north of Sydney in NSW, which held an estimated population of 73,481 in 2019. Offering a local unemployment rate of 5.6% over the September quarter of 2020, which is slightly below the NSW average of 5.7%, Port Stephens LGA highlights high economic resilience even throughout COVID-19.

Median property price growth in the Port Stephens LGA over the past 10 years (2011-2020) has proven exceptionally strong for houses, with a growth of +79.6% over the period (+12.7% growth occurring in just the 12 months 2019-2020). Across the same decade, there has been price growth in vacant land (+37.3%) and units (+37.1%), affirming the strength of the entire property market. The Port Stephens LGA's coastal location and relative proximity to Sydney, and other key regional centres such as Newcastle (approx. 30 minutes drive), will help ensure the market continues to see positive price growth into the future.

As of December 2020, Port Stephens LGA investors benefited from an average rental yield of 3.9% for houses, which sits well above Sydney Metro's average of just 2.4% for the same period. Units across the Port Stephens LGA recorded an average rental yield of 5.5% over the same period, again well above Sydney Metro (3.5%). Additionally, a very low vacancy rate of just 0.5% was also well below Sydney Metro (3.6%) for the same period. Vacancy rates have remained consistently below 2.0% in the Port Stephens LGA over the past three years, which indicates healthy long-term rental demand. From an alternative investment potential perspective, the area is viewed as an attractive regional market due to both its affordable pricing and steady returns.

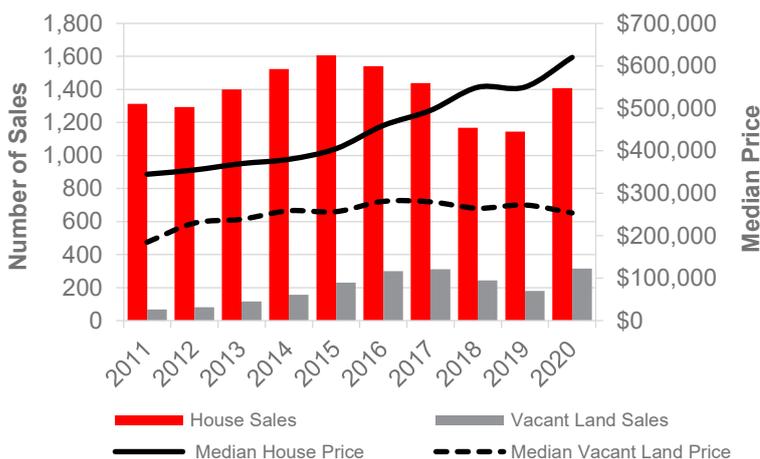
The Port Stephens LGA is set to see a total of \$1.4B* in project development commence throughout 2021. Within this, there is a limited estimated spend on residential projects of \$31.2M, which is set to add 61 lots and 43 dwellings across the Port Stephens LGA throughout the year. A focus on commercial projects (\$839.9M) in 2021 is good news for ongoing employment in the Port Stephens LGA.



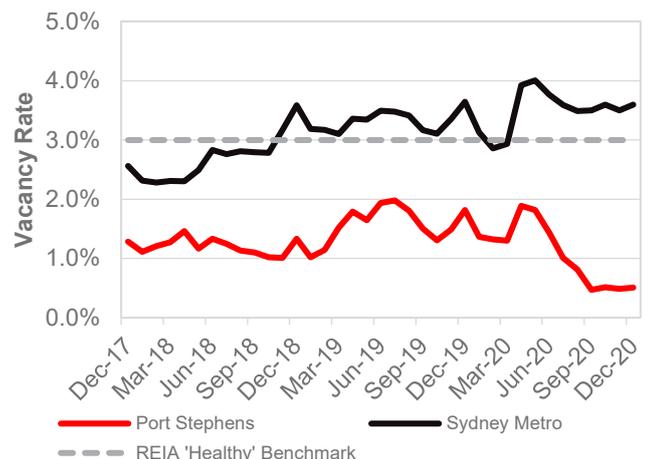
KEY FACTS

House median price (2020)	\$619,750
Land median price (2020)	\$254,000
Unit median price (2020)	\$425,000
Vacancy rate (as of Dec-20)	0.5%
House rental yield (as of Dec-20)	3.9%
Unit rental yield (as of Dec-20)	5.5%
Estimated value of developments in 2021	\$1,357,471,000
Total dwellings set to commence in 2021	61 lots 43 dwellings
Unemployment rate (as of Sep Quarter 2020)	5.6%
5-year population growth (from ABS ERP 2019)	+5.7% (+3,944 residents)

AREA SALES & MEDIAN PRICE



VACANCY RATE



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TOP AFFORDABLE MAJOR REGIONAL AREA

FEDERATION, NSW

Located in NSW's Riverina Region along the VIC border, the Federation LGA boasted an estimated population of 12,437 in 2019. As of the September quarter of 2020, the Federation LGA recorded unemployment of 4.1%, which sat well below the NSW's 5.7% for the same period.

From 2011-2020, the Federation LGA recorded median price growth of +50.5% for houses, +63.5% for vacant land, and +26.5% for units. Additionally, strong median price growth has been recorded in the house market over the last year especially (2019-2020), increasing by +11.9%. 2020 was also the strongest year for house sales in the past decade, with 308 transactions occurring. Federation's proximity to the Murray River and key regional areas such as Albury and Wodonga will help ensure the region sees sustained ongoing price growth into the future.

From an investment perspective, investors within Federation LGA have yielded average rental returns of 4.9% for houses and 5.4% for units as of December 2020. These levels are well above those achieved in Sydney Metro (at 2.5% and 3.5% for houses and units respectively). Further, a very low vacancy rate of just 0.8% for the same period across the Federation LGA ensures that properties are occupied relatively quickly, minimising vacancy risk which is notably higher in Sydney (at 3.6% for the same period). When combined, an affordable entry price and superior returns highlight the comparative strength of regional markets such as the Federation LGA.

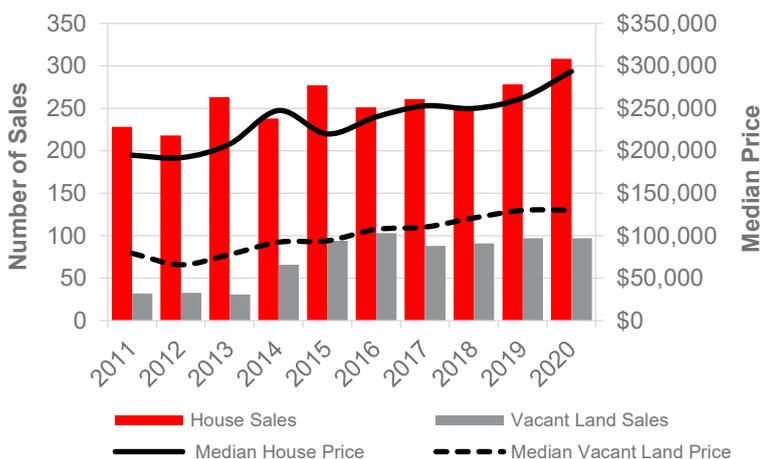
The Federation LGA is set to benefit from a total estimated development pipeline of \$1.1B* across 2021. The overwhelming majority (99.8%) of this spending is geared towards commercial projects such as large solar farms and associated energy storage facilities. Infrastructure projects make up the balance of the pipeline, which is good news for residents set to benefit from improved amenities in the local area. A lack of residential development will result in continued upward pressure on property prices, suggesting buyers must act quickly to secure their property at current levels of affordability.



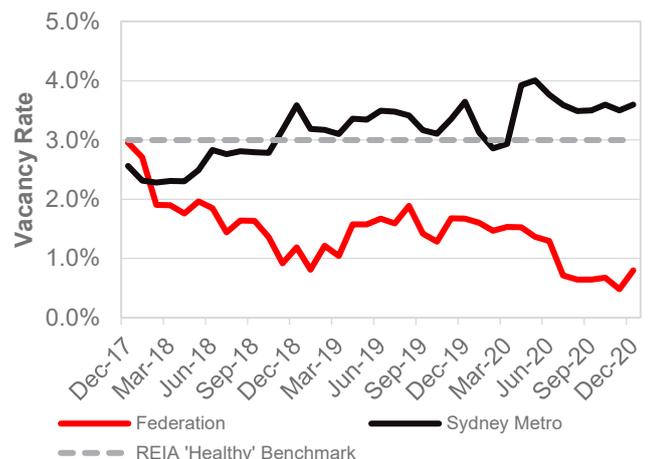
KEY FACTS

House median price (2020)	\$293,500
Land median price (2020)	\$130,000
Unit median price (2020)	\$253,000
Vacancy rate (as of Dec-20)	0.8%
House rental yield (as of Dec-20)	4.9%
Unit rental yield (as of Dec-20)	5.4%
Estimated value of developments in 2021	\$1,121,215,000
Total dwellings set to commence in 2021	0 lots 0 dwellings
Unemployment rate (as of Sep Quarter 2020)	4.1%
5-year population growth (from ABS ERP 2019)	-0.5% (-62 residents)

AREA SALES & MEDIAN PRICE



VACANCY RATE



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TOP AFFORDABLE MAJOR REGIONAL AREA

GREATER HUME, NSW

Bordering both Wagga Wagga and Albury, the Greater Hume LGA is a key connecting region for southern NSW, which held an estimated population of 10,764 residents in 2019. Unemployment locally was recorded at a very low 2.8% for the September quarter of 2020, sitting far below the NSW benchmark of 5.7% across the same period.

Over the past decade (2011-2020), Greater Hume LGA has recorded strong median property price growth of +45.3% for houses, +115.5% for vacant land, and +22.7% for units. The last 12 months have proven particularly strong for median house price growth in the Greater Hume LGA, up by +9.1% from 2019-2020. In addition, a strong sales volume of 205 houses sat at a peak for the decade, highlighting strong buyer demand. Greater Hume's position as a key road network conduit between major regional and capital cities in NSW and VIC provides the necessary basis for sustainable ongoing performance for its property prices.

Investors in the Greater Hume LGA have benefited from solid rental returns, averaging 4.5% for houses and 5.6% for units in December 2020. These levels are well above those found in Sydney Metro for the same period (2.5% and 3.5% for houses and units respectively). In further good news for investors, the vacancy rate in December 2020 was a low 1.0%, well below Sydney Metro's 3.6% at the same time. Greater Hume LGA's vacancy rate has consistently continued to trend down over the past two to three years, while Sydney's has increased. Investors wishing for greater returns and security of cashflow may wish to look into top regional markets such as the Greater Hume LGA.

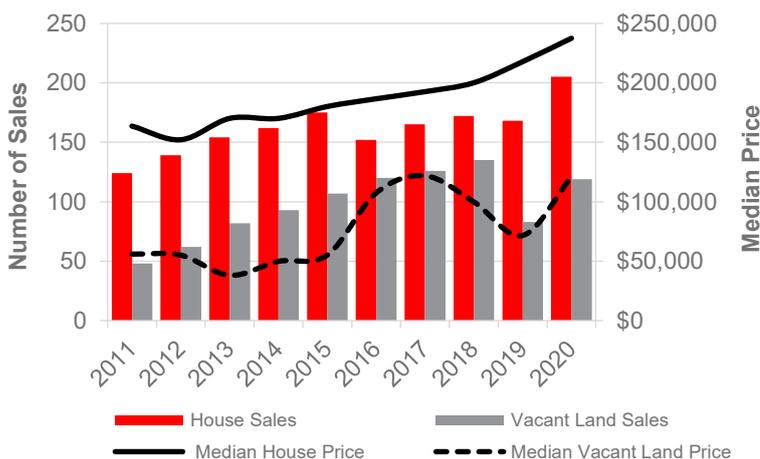
Throughout 2021, Greater Hume LGA's development pipeline is worth an estimated \$578.4M*. Of this, a large majority (98.1%) is to be spent on commercial projects, with the largest of these being solar farms and associated energy storage. Infrastructure spending of \$9.6M* will also contribute positively to creating new and upgraded amenities for locals, while \$1.5M* in residential project activity will create a relatively limited new supply of land, totalling 32 lots.



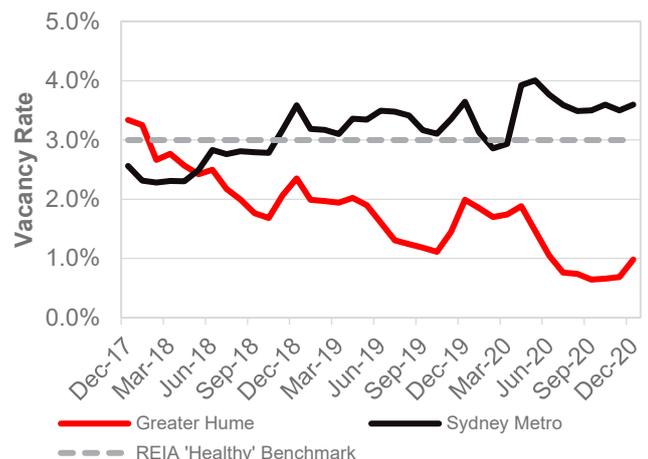
KEY FACTS

House median price (2020)	\$237,500
Land median price (2020)	\$121,000
Unit median price (2020)	\$270,000
Vacancy rate (as of Dec-20)	1.0%
House rental yield (as of Dec-20)	4.5%
Unit rental yield (as of Dec-20)	5.6%
Estimated value of developments in 2021	\$578,422,000
Total dwellings set to commence in 2021	32 lots 0 dwellings
Unemployment rate (as of Sep Quarter 2020)	2.8%
5-year population growth (from ABS ERP 2019)	+4.3% (+446 residents)

AREA SALES & MEDIAN PRICE



VACANCY RATE



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TOP AFFORDABLE MAJOR REGIONAL AREA

GREATER GEELONG, VIC

The Greater Geelong LGA is a popular destination located on the southern coast of VIC. The area experienced an extraordinary 5-year population growth of +13.7% (+31,190 residents) to 2019, which is expected to continually increase over time due to flexible working conditions and lifestyle changes triggered by COVID-19. In the September quarter of 2020, the Greater Geelong LGA recorded a low unemployment rate of 4.6%, sitting well below VIC's average of 5.9%.

Over the past 10 years (2011-2020), the Greater Geelong LGA experienced extraordinary price median surges for all property types: houses by +87.3%, land by +30.4%, and units by +58.4%. At present, sellers are achieving near-first list price results upon sale, using property as leverage to further capitalise their wealth creation journey. The property market in the Greater Geelong LGA is expected to further grow at a solid pace due to the increase in demand in the area.

In December 2020, investors in the area benefited from average rental yields of 3.6% for houses, well above Melbourne Metro (2.6%). Units recorded an average rental yield of 4.1% over the same period. Greater Geelong LGA recorded a significantly low vacancy rate of 0.9%, below that of Melbourne Metro (4.7%) for the same period. Comparatively, vacancy rates in the Greater Geelong LGA continued to decline after May 2020, in contrast to Melbourne's increasing trend. This confirms there is a strong rental market demand even amidst COVID-19, and investors can be confident in the state of the market.

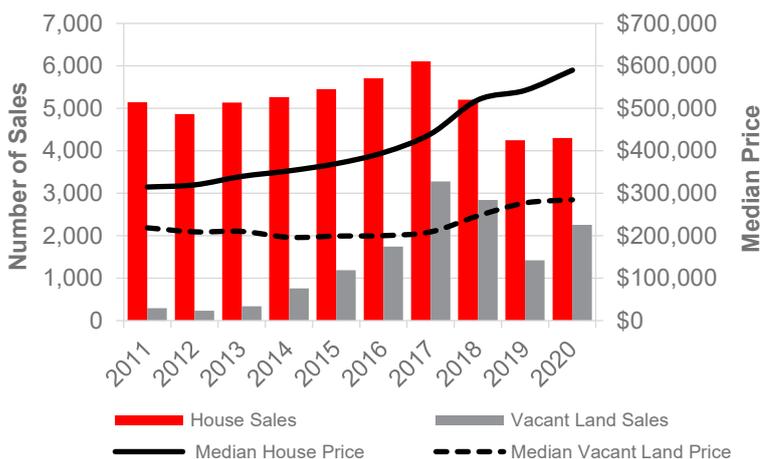
The Greater Geelong LGA is set to see an enormous \$7.5B* worth of project development commence throughout 2021, with a large focus on mixed-use and residential projects. Such projects are ideal for the area, as it signals new businesses, local jobs, and economic growth. A total of 2,519 lots and 5,490 dwellings will be added to the Greater Geelong LGA market, which will assist in housing the increasing population in the area. New land supply also allows first home buyers to enter the market much quicker, while also accessing multiple government grants.



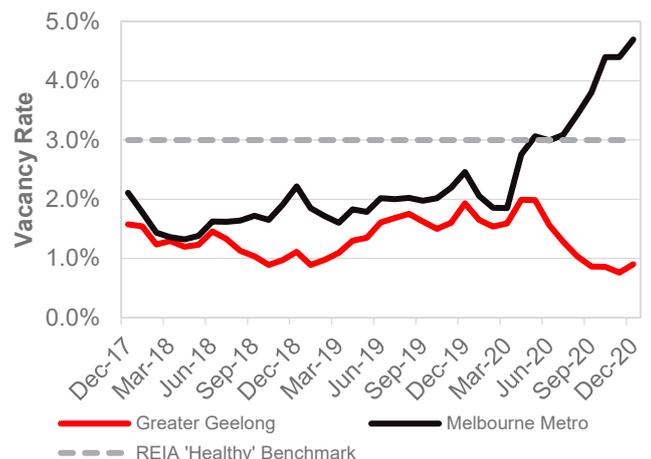
KEY FACTS

House median price (2020)	\$590,000
Land median price (2020)	\$285,000
Unit median price (2020)	\$460,000
Vacancy rate (as of Dec-20)	0.9%
House rental yield (as of Dec-20)	3.6%
Unit rental yield (as of Dec-20)	4.1%
Estimated value of developments in 2021	\$7,521,939,000
Total dwellings set to commence in 2021	2,519 lots 5,490 dwellings
Unemployment rate (as of Sep Quarter 2020)	4.6%
5-year population growth (from ABS ERP 2019)	+13.7% (+31,190 residents)

AREA SALES & MEDIAN PRICE



VACANCY RATE



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TOP AFFORDABLE MAJOR REGIONAL AREA

GREATER BENDIGO, VIC

The Greater Bendigo LGA is an inland region located in the central part of VIC, acclaimed as the State's third largest economy that is also considered a service and infrastructure centre for north central VIC. In the September quarter of 2020, the Greater Bendigo LGA recorded an unemployment rate of 5.4%, sitting below VIC's 5.9%. It recorded a 5-year population growth of +9.4% (+10,138 residents) to 2019.

Over the past 10 years (2011-2020), the Greater Bendigo LGA experienced strong median price growth for all property types: houses by +76.6%, land by +29.1%, and units by +35.6%. Homeowners will welcome this news, particularly those looking to sell and achieve final sale prices closer to their expectations. The property market in the Greater Bendigo LGA is on a positive trajectory post-COVID-19, making now is an ideal time to transact in the area.

In December 2020, investors in the Greater Bendigo LGA benefited from average rental yields of 4.5% for houses, which sits well above Melbourne Metro (2.6%). Units recorded an average rental yield of 5.8% over the same period. Furthermore, vacancy rates were recorded at a low 0.8%, below that of Melbourne Metro (4.7%) for the same period. The LGA has seen record low vacancy rates in September 2020, which signals quicker occupancy of rental properties and thus potentially an undersupplied rental market. Investors are encouraged to take this opportunity and consider the Greater Bendigo LGA market as an affordable investment alternative to capital city metro markets.

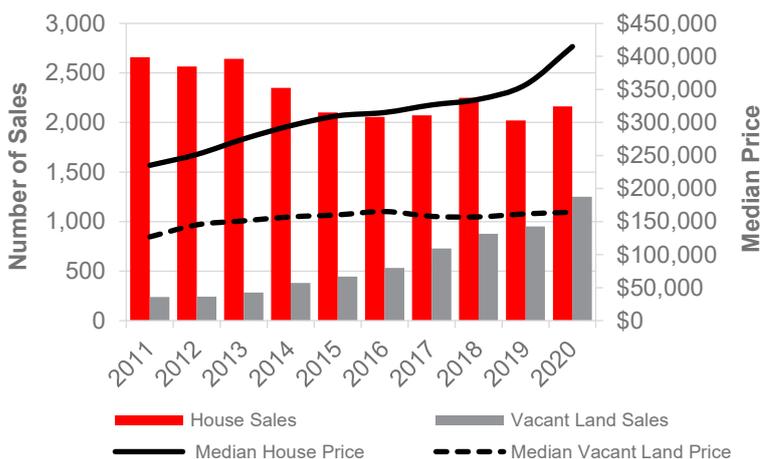
A total of \$1.2B* in project development is planned for the Greater Bendigo LGA, with a large component of this being infrastructure and commercial projects. A large focus on commercial projects is ideal for the area, as it signals new businesses, local jobs, and economic growth. Infrastructure projects will increase liveability aspects whilst creating local jobs in the construction phase. A total of 1,858 lots and 89 dwellings will be added to the Greater Bendigo LGA market, which will help cater to ongoing population growth in the area.



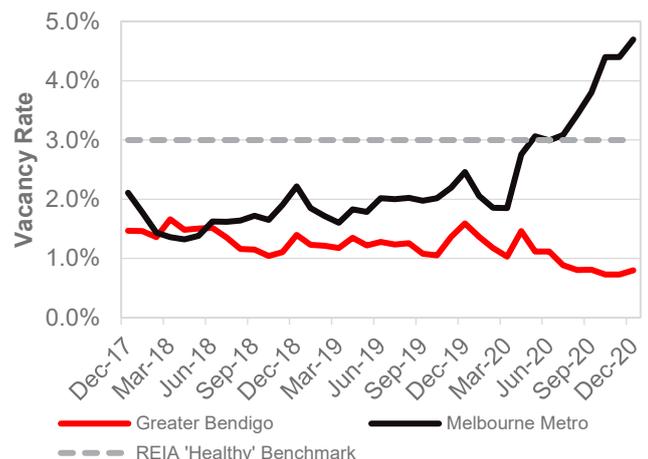
KEY FACTS

House median price (2020)	\$415,000
Land median price (2020)	\$164,000
Unit median price (2020)	\$305,000
Vacancy rate (as of Dec-20)	0.8%
House rental yield (as of Dec-20)	4.5%
Unit rental yield (as of Dec-20)	5.8%
Estimated value of developments in 2021	\$1,206,859,000
Total dwellings set to commence in 2021	1,858 lots 89 dwellings
Unemployment rate (as of Sep Quarter 2020)	5.4%
5-year population growth (from ABS ERP 2019)	+9.4% (+10,138 residents)

AREA SALES & MEDIAN PRICE



VACANCY RATE



*Disclaimer: Estimated value is the value of construction costs as per provided by the relevant data authority, it does not reflect the project's sale/commercial value. Source: APM Pricerfinder, SQM Research, Cordell Database, Australian Bureau of Statistics, Australian Government Department of Jobs and Small Business. © PRD 2021.

TOP AFFORDABLE MAJOR REGIONAL AREA

WARRNAMBOOL, VIC

The Warrnambool LGA is a coastal region located along the south-western coast of VIC. It is a comprehensive regional service centre, with the town's tourism benefiting from the views from the Great Ocean Road, and southern right whale sightings. The LGA experienced a moderate 5-year population growth of +4.3% (+1,452 residents) in 2019, which is set to grow due to the influx of people moving towards regional areas as a result of flexible working conditions and lifestyle changes. In the September quarter of 2020, Warrnambool LGA recorded a low unemployment rate of 3.5%, sitting well below VIC's average of 5.9% for the period.

Median price growth in Warrnambool LGA over the past 10 years (2011-2020) has been significant for houses (+41.2%) and units (+25.3%). This said, there has been a softening in the land market of -10.4%, which has increased affordability for first home buyers wishing to build their home. Now is an ideal time to transact, with unique opportunities for buyers and sellers alike across all property types.

In December 2020, investors in Warrnambool LGA benefited from average rental yields of 4.4% for houses, which sit well above Melbourne Metro (2.6%). Units recorded an average rental yield of 5.8% in December 2020. Furthermore, vacancy rates were recorded at a low 0.4%, below that of Melbourne Metro (4.7%) for the same period. Low vacancy rates, coupled with high rental returns, create the perfect environment for a thriving rental market in the Warrnambool LGA. With a much lower entry price compared to Melbourne Metro, now is an ideal time for investors to re-enter market.

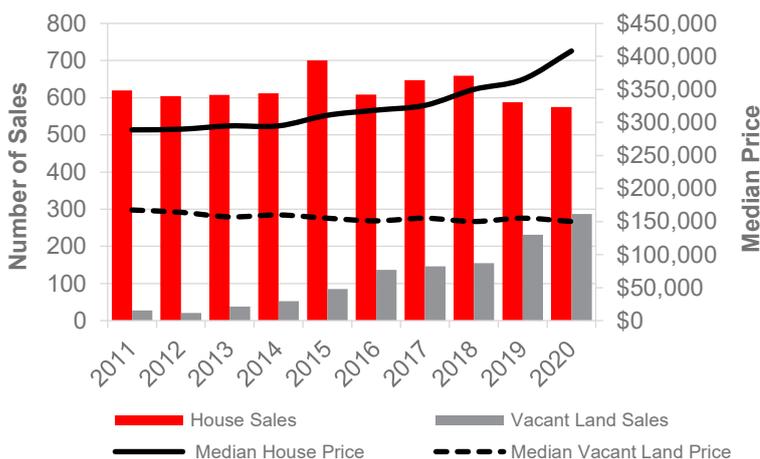
The Warrnambool LGA is set to see a total of \$591.4M* worth of project development commence throughout 2021, with a large component of this being infrastructure developments. A key focus on infrastructure will increase liveability aspects, improve productivity and create new jobs in the construction phase. This will help drive further demand into the area and be a major contributor to higher population growth.



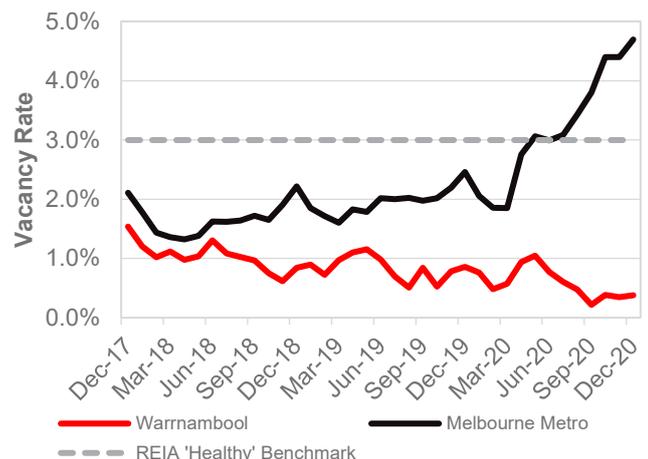
KEY FACTS

House median price (2020)	\$408,000
Land median price (2020)	\$150,000
Unit median price (2020)	\$317,000
Vacancy rate (as of Dec-20)	0.4%
House rental yield (as of Dec-20)	4.4%
Unit rental yield (as of Dec-20)	5.8%
Estimated value of developments in 2021	\$591,401,000
Total dwellings set to commence in 2021	0 lots 68 dwellings
Unemployment rate (as of Sep Quarter 2020)	3.5%
5-year population growth (from ABS ERP 2019)	+4.3% (+1,452 residents)

AREA SALES & MEDIAN PRICE



VACANCY RATE



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TOP AFFORDABLE MAJOR REGIONAL AREA

CIRCULAR HEAD, TAS

Positioned in the north-western corner of TAS and featuring a number of islands off its coast, the Circular Heads LGA boasted a modest estimated population of 8,078 residents in 2019. A local unemployment rate of 4.7% for the September quarter of 2020 sat well below the TAS average of 6.0% for the same period.

Between 2011-2020, the Circular Head LGA has shown a healthy level of price growth in its housing market, up by +34.7% over the period. At the same time, land and unit median price growth has softened by -28.3% and -27.1% respectively. A limited number of units in the market makes this particular dataset highly volatile, whilst large variations in land sizes over time have constructed fluctuating figures for vacant land sales. As strong demand and higher prices in the metropolitan areas of TAS push buyers further out, regional areas of the state such as Circular Head LGA are set to benefit.

As of December 2020, the Circular Head LGA recorded an average house rental yield of 4.7%, which sits above Hobart Metro's average of 4.1% for the same period. The LGA recorded an average unit yield of 3.5%, however, given the very limited number of rental units in the area this is not a stable figure, and is not directly comparable to Hobart Metro's average unit rental yield of 5.6%. That said, the Circular Head LGA boasts an extremely low vacancy rate of just 0.4%, which is even lower than Hobart's already very low 0.6% vacancy rate over the same period. The Circular Head LGA is seen as an attractive regional market due to both property prices as well as its healthy rental returns and low vacancies.

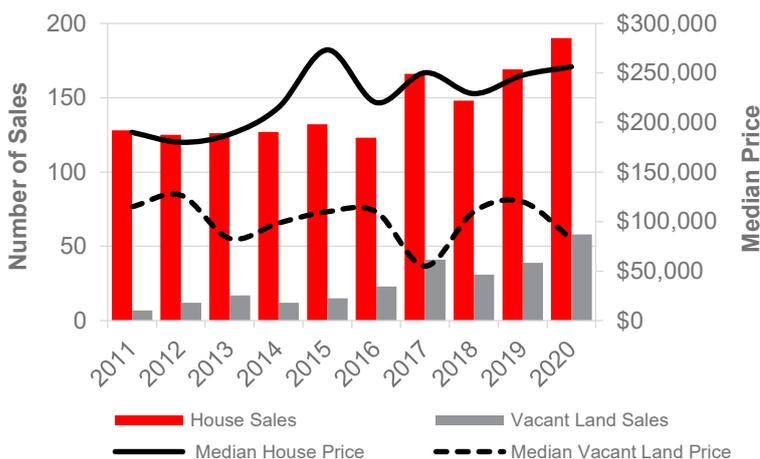
In terms of local development activity, the Circular Head LGA is set to see a total of \$1.4B* in projects commence in 2021. Of this, 74.1% (\$1.1B*) is to be spent on commercial projects, which will help provide renewable energy sources, as well as recreational facilities and new employment opportunities for locals. A further \$367.8M* in infrastructure projects will also provide new and upgraded amenities, including roadworks, bridges, education, and more.



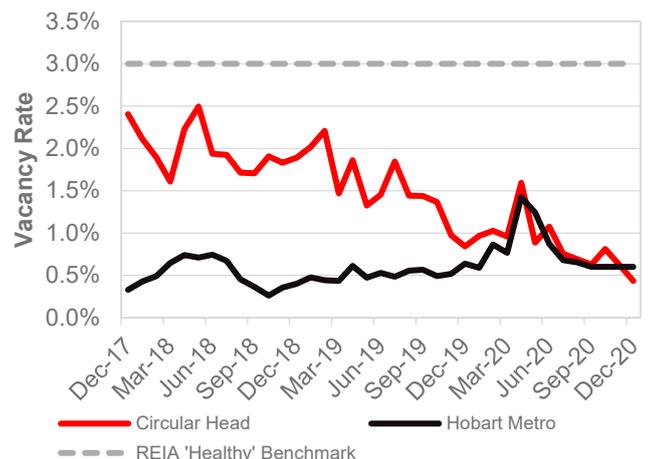
KEY FACTS

House median price (2020)	\$255,000
Land median price (2020)	\$85,000
Unit median price (2020)	\$227,000
Vacancy rate (as of Dec-20)	0.4%
House rental yield (as of Dec-20)	4.7%
Unit rental yield (as of Dec-20)	3.5%
Estimated value of developments in 2021	\$1,425,218,000
Total dwellings set to commence in 2021	0 lots 0 dwellings
Unemployment rate (as of Sep Quarter 2020)	4.7%
5-year population growth (from ABS ERP 2019)	-1.5% (-126 residents)

AREA SALES & MEDIAN PRICE



VACANCY RATE



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ABOUT PRD RESEARCH

PRD Research Division provides reliable, unbiased, and authoritative property research and consultancy to clients in metro and regional locations across Australia

Our extensive research capability and specialised approach ensures our clients can make the most informed and financially sound decisions about residential and commercial properties.

OUR KNOWLEDGE

Access to accurate and objective research is the foundation of all good property decisions.

As the first and only truly knowledge based property services company,

PRD shares experience and knowledge to deliver innovative and effective solutions to our clients.

We have a unique approach that integrates people, experience, systems and technology to create meaningful business connections. We focus on understanding new issues impacting the property industry; such as the environment and sustainability, the economy, demographic and psychographic shifts, commercial and residential design; and forecast future implications around such issues based on historical data and fact.

OUR PEOPLE

Our research team is made up of highly qualified researchers who focus solely on property analysis.

Skilled in deriving macro and micro quantitative information from multiple credible sources, we partner with clients to provide strategic advice and direction regarding property and market performance. We have the added advantage of sourcing valuable and factual qualitative market research in order to ensure our solutions are the most well considered and financially viable.

Our experts are highly sought after consultants for both corporate and government bodies and their advice has helped steer the direction of a number of property developments and secured successful outcomes for our clients.

OUR SERVICES

Our research services span over every suburb, LGA, and state within Australia; captured in a variety of standard and customized products.

We have the ability and systems to monitor market movements, demographic changes and property trends. We use our knowledge of market sizes, price structure and buyer profiles to identify opportunities for clients and provide market knowledge that is unbiased, thorough and reliable.

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PRD Research
T +61 7 3229 3344
E research@prd.com.au

PRD.com.au

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