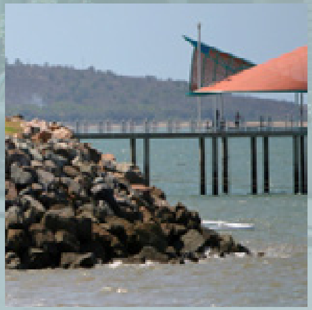
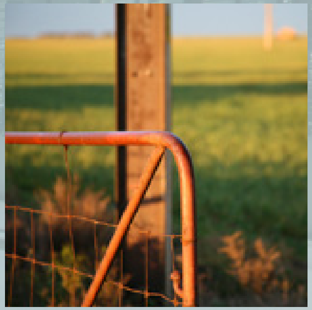
October 2017

Month in Review

HERRON TODD WHITE

Contents





Disclaimer

This publication presents a generalised overview regarding the state of Australian property markets using property market risk-ranking scales. It is not a guide to individual property assessments and should not be relied upon.

Herron Todd White accepts no responsibility for any reliance placed on the commentary and generalised information. Contact Herron Todd White to obtain formal, specific property advice on any matters of interest arising from this publication.

The great property revolution

Australia is a very broad brown land that can thank its girth and width for creating a vast array of environments and landscapes. This means no one place is quite like another here in Oz.

Whether you're perched on the far eastern tip of Cape Byron, rugged up against the Antarctic winds on the southern coast of Tasmania, or braving the tangle of mangroves in the barramundi grounds of Darwin, houses must be designed to adapt.

The other interesting element is the advancement of knowledge and technology. Lightweight composites seem like a handy all-in catch phrase and prefab certainly helped alleviate housing struggles during the mining boom – but the future could actually be a 3D printer and a house plan. Think about that for moment!

Another element in the evolution of housing is the growth of our cities and the way government must address the challenges created by more of the population attempting to squeeze into the same few centres along the eastern seaboard. Like a clown car at a circus, it seems we all want to be in the driver's seat of our favourite capital cities, but that can result in residents figuratively sitting in each other's laps. Strategic plans on how cities adapt means land zonings and building guidelines must try and create housing that will make it possible to not only live in harmony, but be comfortable on smaller and smaller plots of land.

Australia has proved itself an industrious country in the past, and while we might try and harp on about the Hills Hoist and Victa lawn mower, some of the most significant Aussie residential advancements happen by degrees - barely noticed at the time of inception but picked up by progressive homeowners and designers, honed and improved until we all say, "Why didn't I think of that!"Charles Darwin would've been proud.

This month, we've decided an interesting discussion could be had about the evolution of Aussie housing. Best of all, our varied landscape allows each of our service areas to wax lyrical about their patch of dirt. Our Herron Todd White offices have come up with descriptions about the housing that defines their hometowns. They've furnished more than a few examples of typical housing types – diverse though they may be – a little of their history and how well they are accepted by the modern-day buyers. Our teams have also had a look at attached housing and how it operates in their areas.

There's also a broad discussion on new and exciting developments in housing – from how cross generational living is influencing our homes to ways we can get more from less. Finally, each office has been asked to give, their views on the future of housing in their service areas. It's a bit of a gaze into the rune stones of residential (with a healthy dose of experience and property knowledge too, of course) to come up with where and how they think how homes will change as we advance further into the 2000s.

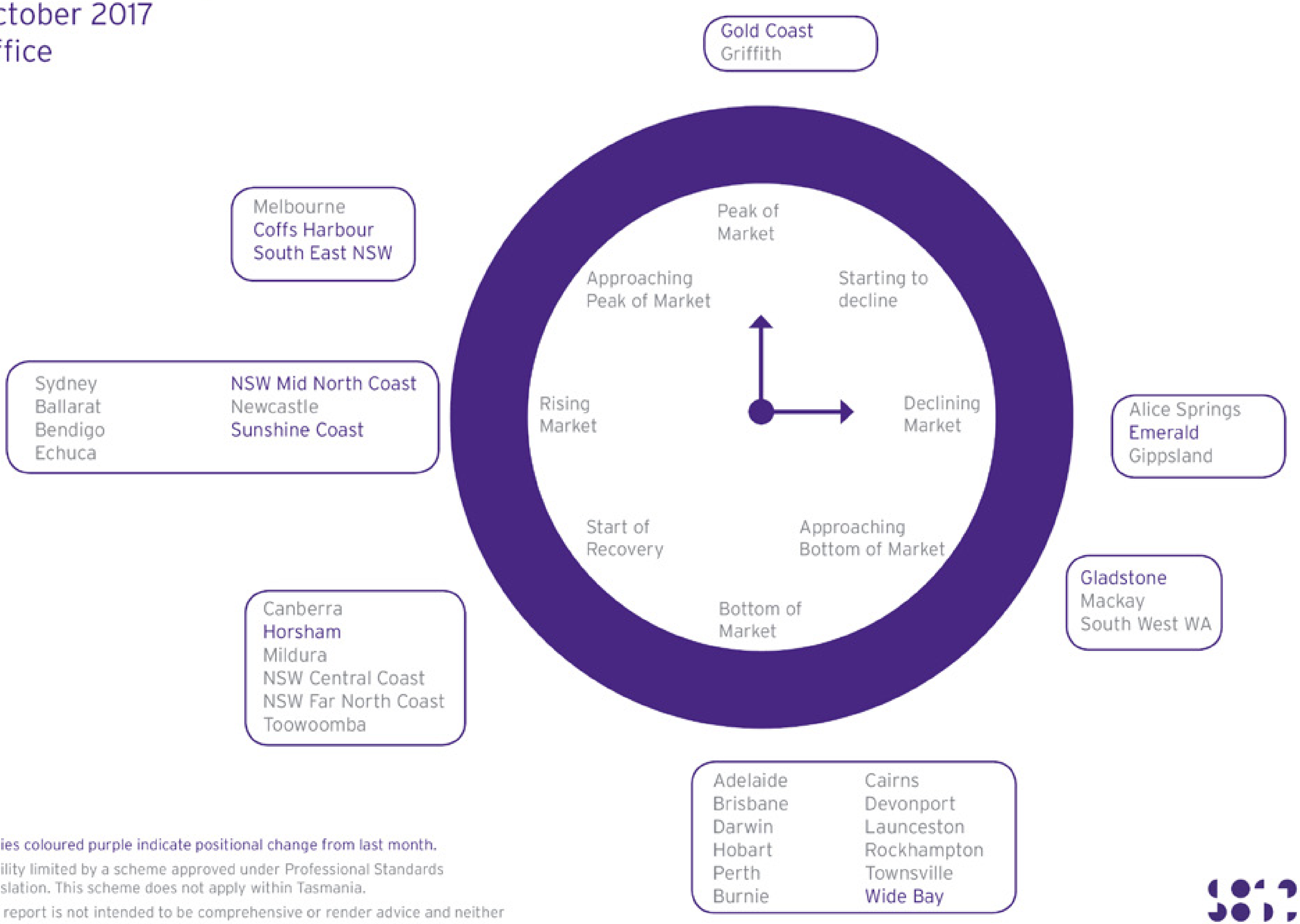
For the commercial section this month we are tackling the office sector with a continuation of our series on rents. This is a chance to check out rent levels across the country as our experts lay bare their formidable knowledge on the office rental sector. The teams in our Herron Todd White offices have included a dissection of how office rents have been tracking across a range of locations. We've even looked at the differences between prime and secondary space and find out what sort of incentives are being included to entice the right kinds of tenants.

So there it is dear reader, a chance to see how housing has evolved, coupled with a ready office rental guide that will have you across the market in no time. But as always, don't just sit there waiting for the Vulcan mind meld to eventuate so you can communicate with your property professional. Go with today's technology instead – pick up the smart phone and get in contact with your expert team to ensure you stay ahead of the changes underway in the real estate universe.

Commercial

HERRON TODD WHITE COMMERCIAL

National Property Clock
October 2017
Office



Entries coloured purple indicate positional change from last month.

HERRON TODD WHITE COMMERCIAL

New South Wales

Overview

The commercial property sector is hinged to its income and offices fall firmly within this space.

Office markets across the country are wide and varied and given advancements in communications technology, the time had never been better for tenants looking to set up and operate across borders from wherever the most economical space can be found.

With this in mind, we've asked our team to consider the rental market in the office realm. Among the next few pages is a comprehensive guide on where rentals sit, and what you can expect in the future.

Sydney

The past 12 months has seen a significant increase in both rental rates and capital values across Sydney CBD strata office stock. We have seen strata office rentals climbing from a typical range of $400 to $600 per square metre to $600 to $900 per square metre depending on location, size and amenity. We consider rising rentals to be intrinsically linked to increasing capital rates and as such, it is hard to consider rents without having regard to the wider office market. In terms of capital values, we have seen rates within the prime city core precinct rapidly increasing past $10,000 per square metre and recent sales reaching as high as $16,000 per square metre.

A surge in demand from owner-occupiers appears to be propelling this strong value growth and for a variety of reasons. The current interest rate environment of record low rates is fuelling borrowing power and market sentiment across the board. The current low cost of money combined with the impact of rising rents has seen a significant increase in the number of tenants looking to purchase to owner occupy. This appears to be a strong driver in increasing capital values as tenants looking to owner-occupy as well as owner occupiers in general are typically less reliant on potential yields and as such, are more willing to pay a premium to secure the property they desire.

The impact on the rental market of tenants continuing to purchase is that investment stock is increasingly being removed from the market, pushing rental rates up as rental supply begins to dwindle. In addition, up to twenty CBD building are earmarked for demolition to make way for the new light rail and Sydney Metro lines, further decreasing available rental stock.

The number of offices being offered for sale recently throughout the CBD also appears to have decreased, with demand outweighing supply. This has further impacted capital values, with agents reporting multiple interested parties for almost every property offered to the market. With many suites recently being taken to auction, this market interest is seeing hotly contested auctions with results reflecting the current demand in the market.

We do have some concern regarding the sustainability of the recent capital values seen throughout the CBD and consider that any significant increase in interest rates will likely see this growth halted.

The Sydney CBD is currently undergoing a significant face lift, with the new light rail and Sydney Metro services aiming to improve commutes and increase connectivity to and throughout the CBD, and the recent and continuing development of Barangaroo and associated works. Although all this development seeks to improve the overall CBD in the long run, current disruptions cannot be ignored. Significant recent road closures, the most obvious being George Street, and road works throughout the whole of the CBD can be considered a huge disruption to day-to-day office users, both owner-occupiers and tenants, who are regularly being impacted by both the decreased CBD manoeuvrability and construction noise. Despite the current impracticalities of the CBD, it appears that purchasers can see the light at the end of the tunnel. Of course, that poses the question of how the market will respond to the completion of the face lift.

Canberra

The Canberra office market is displaying positive signs of reduced vacancy rates and some rental growth in the past few months which is a welcoming change after a number of years of vacancy levels above 10%. As at July 2017 the overall vacancy rate had reduced from 12.6% in January 2017 to 11.4% in July. As a consequence, rents for prime office space have grown by 2.1% to $459 per square metre and secondary space rents grew by 4.5% to $401 per square metre for July 2017.

The strength of the local economy and stable unemployment figures standing at 4.4% have continued to see growth in tenant demand from both the private and government sectors and consequently this has resulted in one of the strongest periods of positive net absorption of 23,431 square metres in the past six months. Recent deals have included the absorption of space in Barton at 4 National Circuit and the take up of 3,059 square metres in Civic. The withdrawal of space for alternative use projects such as hotels and residential conversion is also increasing the downward pressure on vacancy rates. The 1,805 square metre property at 7-11 Barry Drive, Turner was let to ANU for three years at $380 per square metre gross and the 6,915 square metre 7 London Circuit, City was let to Commonwealth Super at $470 per square metre gross. Demand for A grade floor plates over 2,000 square metres is increasing and a dearth of available space is expected to see growth in A grade face rents in the short term. Vacancy rates are anticipated to decline below 8% in the later half of 2019.

Current incentives are fluctuating between 15% and 20% for A grade space in Canberra City. B grade space is indicating incentives between 15% and 25%. Office space in other town centres are also showing incentive levels of between 15% and 20% for A grade space and 15% to 25% for B grade offices. Incentives continue to be offered in the market however these should reduce as demand increases.

Growth in demand for office space is expected to continue in the short term with 40,000 square metres anticipated to be released onto the market that is predominantly pre-committed and this is supported by the Tuggeranong Office Park. Vacancy levels are expected to tighten in the next six to twelve months. A number of government lease expiries are to occur between now and 2019 resulting in over 55,000 square metres of space being negotiated in the market. Incentives will decline and face rents will increase along with demand seeing effective rents continuing to rise.

Illawarra

Commercial office leasing conditions in the Illawarra region have improved over the past one to two years with local leasing agents reporting increased enquiry levels and reduced vacancy periods for well-placed tenancies in good quality buildings with good off street parking availability. Incentives remain common with discounts of between 10% and 20% of gross annual rent typically required to attract a new tenant on a five plus year lease term. This incentive is usually in the form of a free rent period.

While rents have remained stable over the past five years there are signs that future growth will occur given the low A grade vacancy rate and strong local economy. Some leasing agents are of the opinion that there is appetite for A grade rents in the plus $500 per square metre gross range which would set a new benchmark if achieved and may justify new construction. The leasing market for large floor plates is still largely driven by government departments at both state and national levels. Large global and national corporations (head offices) are not active in the local market.

The latest Property Council of Australia Office Market Report dated January 2017 surveys the Wollongong office market as having a total vacancy rate of 11.2%, which is a decrease from the 12.2% vacancy rate reported in January 2016. Demand remains the highest for A grade space with a total vacancy rate of 5.7%, significantly lower than the 16.7%, 15.1% and 27.6% vacancy rates for B, C and D grade spaces. However, these vacancy rates are skewed by the exclusion of Innovation Campus and Coniston from the survey.

Newcastle

Market conditions are currently strong in the Newcastle office market and property is selling well, at tight yields, for ever increasing rates per square metre. This is due to equity being available from the good residential property market, the low interest rate environment and the Newcastle Rejuvenation project, which is producing all sorts of construction and infrastructure action in town. Let's examine now whether the local rental supply and demand fundamentals are in line with the current capital market growth. This is one way to determine whether we are indeed currently in a market bubble or whether the market growth is more sustainable over a longer time frame.

According to the Property Council of Australia the Newcastle office market suffered a negative net absorption over 12 months in 2016 of 17,841 square metres. In 2017 however, stock withdrawals and take up in the CBD has reduced vacancy rates across all grades with a positive net absorption of 12,504 square metres. The majority of this office take up has been in A grade where 12,183 square metres of net absorption has occurred. This has been primarily in the new construction in the Honeysuckle precinct.

We'll have to wait now until 2018 for the completion of The Gateway Stage 2 on the corner of Stewart Avenue and Hunter Street before we see any more A grade additions, further increasing upward pressure on A grade face rents.

In fact we've seen vacancy rates fall across all office grades in 2017, the biggest mover being D grade, tightening from 25% in 2016 to 7.1% in 2017. This limiting pressure on rental supply has placed upward pressure on gross face rental growth in the CBD across the board. We expect a continuation of this rental growth in the Newcastle office market in the short term while pipeline construction remains relatively limited and rental enquiry remains strong.

Victoria

Melbourne

According to the Property Council of Australia's Office Market Report, Melbourne CBD's overall office vacancy rate has stabilised to 6.5% over the 12 months to July 2017 from 7.1%. Melbourne continues to host the second lowest vacancy rate amongst all Australian CBDs, second only to Sydney. A net absorption of 21,430 square metres in the CBD was recorded in the six months to July 2017 and a total of 18,939 square metres of new stock is due to enter the market in 2017. The stabilisation of the vacancy is mainly due to the high net absorption rate of prime Melbourne CBD office stock. Tenant migration in pursuit for building quality or location, underpins the demand for prime office space within the CBD, while a large amount of secondary space has been withdrawn from the market for refurbishment or redevelopment which improves the vacancy rates.

The Eastern Core and Docklands precincts have the lowest vacancy rates at 2.6% and 2.1% respectively, while vacancy rates rose in the Civic and Flagstaff precincts.

There is limited new prime office supply over the next two years before a large deluge of supply is forecast for 2020. Therefore, it is anticipated that vacancy rates will continue to fall over 2018 and 2019 before rising again in 2020. Correspondingly, we expect to see potential sharp rental growth over the next two years as well as a decline in incentives, before levelling back out again from 2020. Notwithstanding, leasing incentives continue to be relatively high with 25% to 30% net incentives being offered for longer lease terms across larger tenancies. With respect to secondary office stock, landlords are finding it challenging to secure tenants within B and C grade buildings due to the large volume of competitive stock on the market, particularly in precincts situated on the fringe of the CBD. Smaller tenants are exhibiting a preference for existing fitted and refurbished space.

There is significant growth in tenant demand from the Education and Training sector recording an increase of 226% over the past 12 months, especially education institutions which account for approximately 75% of total Government and Community sector leases in the first half of 2017. Pre-commitment activity was also at a record high since June 2011. For example, Deloitte pre-committed to occupy approximately 22,000 square metres of office space on a 12 year lease at 477 Collins Street which is due for completion in June 2020.

St Kilda Road contains approximately 684,000 square metres of lettable space. It is reported that the office stock has shrunk by approximately 20% from its peak in 1992. Research shows approximately 18,014 square metres of office space was withdrawn from the St Kilda Road market over 2016. There are significant withdrawals of office accommodation as many developers are buying existing older style office buildings with the view to converting or redeveloping them for residential purposes.

This reduction in stock and displacement of tenants has given a slightly false take on the St Kilda Road market, as tenant demand is still some way off historically high levels pre GFC. The market has also seen a flight to quality, with the A grade buildings performing better than their B grade counterparts. Those owners that are investing in the building services and end of trip facilities are being rewarded by a reduction in the letting up periods and stronger rents. Due to the Melbourne Metro Rail project, traffic along St Kilda Road will be severely restricted for the coming two to three years. Discussions with local leasing agents reveal that some existing tenants are attempting to take advantage of this situation by using it as a lever for better deals on renewals, particularly around negotiating shorter lease terms. Smaller tenants up to 500 square metres are showing a strong preference for either existing fitted space or space where the landlord has speculatively built a fit out. This type of space is leasing relatively quickly and achieving good rents with minimal incentives required on top of the fit out.

The city fringe office vacancy rate also fell to a record low of 3.47% in March 2017 from 4.96% in September 2016 due to strong demand and limited supply. We are witnessing strong tenant demand for modern boutique style office space within inner suburbs such as Richmond, Cremorne and Collingwood. The strong demand has driven both face and effective rental growth within this sector. Secondary space within the city fringe also records a year-on-year growth of 10% with average incentives of 18% which is significantly lower than the incentives offered in the CBD.

Echuca

A broad range of $200 to $300 per square metre seems to apply for all but the very small tenancies where a rate per room might apply, older stock and stock at secondary locations or first floor accommodation. This is likely to continue although several larger developments have been mooted which are likely to bring additional supply onto the market.

At a local level it will be interesting to see what the impact of the project management team for the proposed second bridge will do to both the office and residential rental markets.

South Australia

Adelaide

The South Australian Economy has faced a protracted period of poor performance typified by the General Motors car manufacturer shutting its doors in October 2017, ending 60 years of construction in Australia. The decision by General Motors, and the Federal Government's policy shift in supporting the industry, exemplifies the problems facing almost all forms of general manufacturing in South Australia which is having flow on effects across the entire economy. The South Australian unemployment rate remains the highest in the country at 6.9%.

Secondly, South Australia is currently faced with the country's highest electricity costs which is exacerbating a contracting commercial market, illustrated by the closure of the Thebarton Coca Cola plant. The state Labour government's persistence with renewable clean energy over coal fired-power is the major contributing factor and it's unknown what positive impact, if any, the proposed construction of the world's largest lithium battery in Jamestown with tech billionaire Elon Musk will have.

A positive has been the securing of Defence construction contracts. After the completion of the Air Warfare Destroyer (AWD) the Future Frigates programme will commence in 2020 with an estimated spend of c$35 billion. Following this in 2022 is the Future Submarine project, comprising 12 submarines at an estimated spend of circa $50 billion. The projects are expected to provide over 2,000 jobs.

However, these positive signs have done little over the past 12 to 18 months to improve demand within the CBD office sector. The South Australian Vacancy rate remains the third highest in the country and at 16.1% and is close to the 18 year high of 16.2% recorded in January of this year (PCA Jul 17).

Adelaide CBD Office Market Summary as at July 2017:

	Stock (sqm)	Vacancy (sqm)	Vacancy Rate (%)	Net Absorption (sqm)
Core	1,116,208	195,420	17.5	4,459 (12 months)
Frame	308,225	32,448	11.2	1557 (12 months)

(Source: PCA and Herron Todd White research)

Adelaide CBD Office Vacancy Percentage by Grade:

	Jan -14	Jul - 14	Jan - 15	Jul - 15	Jan - 16	Jul - 16	Jan - 17	Jul - 17
Premium	6.3	11.6	10.7	9.4	7.7	8.3	8.3	10.2
A grade	12.9	13.1	13.6	14	15.1	17	17.6	15.8
B grade	15.2	16.2	11.7	10.8	11	14.8	16.3	17.8
C grade	12.8	18.6	21.4	21.6	19.9	19.2	21.2	21.4
D grade	18.1	19.5	20.8	20.9	21.9	21.6	21.9	20.3

(Source: PCA and Herron Todd White research)

As can be seen in the table above the vacancy rate sits predominantly in the lower grades, however remains 7.6% higher for B grade accommodation than for premium grade assets.

The practical implication of the above statistics is that vacant space is difficult to lease and effective rents have reduced.

Agency based analysts are reporting incentives are on the rise. Knight Frank research is reporting that incentives have increased from 29% to 35% and Savills has reported B grade incentives between 30% and 40%.

Savills is also indicating that in the past 12 months Net Effective Rents have decreased by 8.8%.

Overall, there is evidence to suggest that office rents have decreased within the Adelaide CBD between 5% and 10% over the past 12 months and the situation continues to worsen given the state's economic uncertainty.

Queensland

Brisbane

The Brisbane office market generally remains oversupplied with CBD vacancies running at 15.7% overall and fringe market vacancies overall running at 14.4%. This level of oversupply continues to depress the rental markets generally with incentives for Prime and A grade buildings running at between 35% and 40% in both fringe and CBD markets.

A hiatus in supply for both markets is likely to see effective rents start to improve but this is unlikely to be significant for at least another 12 months when the level of competition for tenants starts to decrease and vacancy levels drop back to near single digits.

The only sectors of the market to buck the general trend are in Prime and A grade CBD markets where the cheapest effective rents for many years have enticed fringe tenants back into the CBD. This has seen vacancy rates for Prime accommodation fall from 21.1% to 11.8% in the past 12 months. Similarly, vacancy rates for A grade tenancies have fallen from 13.9% to 11.6%. This diminution in vacancy rates is starting to see some movement in effective rents for this accommodation only. This is initially being evidenced by a fall in incentive levels.

Suburban markets generally remain oversupplied with sluggish leasing markets, stubbornly high incentives and very limited appetite for new development. Lettability is strongly driven by quality of location, parking availability and access to transport and retail amenities.

General rental ranges for Brisbane are as follows:

Market	Gross Face Range ($/m²)	Incentives Range (%)	GrossEffective Range ($/m²)
CBD Prime	675-800	35-40	440-480
CBD A grade	550-675	35-40	360-405
Fringe A grade	500-600	30-40	350-360
Fringe B grade	400-500	30-40	280-300
Suburban	300-400	10-25	270-300

Toowoomba

Leasing demand for commercial office accommodation in Toowoomba continues to be subdued. This has resulted in limited growth in rentals over the past three years and has also resulted in the introduction of some lease incentives to secure tenants.

Prime office buildings with good car parking can achieve rentals of up to $400 per square metre per annum gross. The most popular office precincts are positioned within the fringes of the CBD and offer a combination of a good central location and easy access. A small premium can sometimes be achieved for medical suites, especially in the precinct surrounding St. Vincent's Hospital.

Rentals for secondary office tenancies can be significantly reduced. Factors that can decrease the achievable rental include:

- Secondary quality of office accommodation;
- Poor location (lack of exposure, semi-industrial area);
- Poor access (inner CBD properties for example can be difficult to access during peak traffic times);
- Lack of sufficient car parking (considered a key driver);
- Lack of access for people with disabilities (for upper level tenancies);

Properties burdened with a combination of these factors can be difficult to lease, with the achievable rental reducing accordingly. There are examples of properties negatively affected by all of these factors (often poor quality inner CBD first floor tenancies with no car parking or access for people with disabilities) achieving rentals of under $100 per square metre.

Gold Coast

The Gold Coast is a coastal, metropolitan region with an economy primarily driven by tourism, education and construction. The commercial rental market for office properties is heavily underpinned by local businesses inter-related with these key economic drivers. Southport remains a popular locale for the legal profession due to the Magistrates Court being based in the business precinct. The Gold Coast City Council over recent years has acquired several office buildings in Bundall and has now generally relocated all departments to this business precinct. There are several long standing government departments at Nerang as well as some at Robina. Robina and Varsity Lakes have seen the majority of office development on the Gold Coast over the past ten to 15 years and as such, offer a more modern standard of office accommodation in comparison to the older established office precincts of Southport, Surfers Paradise and Bundall. Broadbeach is the fifth office precinct within the Gold Coast market, however represents only a small percentage of the overall supply. There are few dedicated office buildings in Broadbeach, with more recent office supply coming in the form of mixed use developments such as The Oracle, The Wave and Sonata where the office component encompasses the lower floor levels generally above ground level retail floor space.

The office market on the Gold Coast is not terribly large. The five office precincts mentioned above are the subject of the Property Council of Australia biannual office survey. As at July 2017, the sum total supply was 468,648 square metres with a total vacancy factor of 11.3%. Over the past few comparison periods, the vacancy level has been trending downward, albeit only in minor increments.

Disparity remains between different grades of office stock. The lower C and D grade categories that make up 31% of the stock have a vacancy rate of 30.3%. B grade makes up 41% of the stock and reflects an 11.4% vacancy. A grade at 28% of the stock reflects a vacancy of 11.3%. It's noteworthy that the city's total absorption rate continues on an upward trajectory, although for the past six month period only the A grade category reflected positive absorption, whereas the other categories all reflected withdrawals, with C grade the most impacted and B and D grades slightly in negative territory.

The continuing positive absorption and diminution of vacancy across the Gold Coast's office precincts continue to have a positive effect on the rental market. It would be fair to say that all office precincts have demonstrated some degree of rental uplift, with an accompanying generally decreasing level of incentives offered. For the more affordable end of the rental range (D and C grade space), owners continue to offer no or minimal incentives only. For better quality space incentives remain, but now tend to generally range from 7% to 10% (months provided as a percentage of total months of initial lease term), being a far cry from levels of 20% to 25% offered several years ago.

As a general observation, across the board the average rental level for C and B grade stock would appear to fall within the range of $350 to $400 per square metre per annum gross. Car parking is in addition and will range from $100 to $150 per bay per calendar month.

For a smaller and more tightly held precinct such as Broadbeach, rental levels are higher at $435 to $550 per square metre per annum gross.

This space tends to be B grade plus standard. Rentals of up to $600 per square metre have been achieved within The Oracle complex, which would arguably reflect the highest rates for office floor space across the Gold Coast market.

Refurbished office buildings such as 50 Cavill Avenue in Surfers Paradise have been achieving good take-up, with rentals pitched at $450 per square metre per annum gross reflecting a competitive level for a good standard premises.

A variety of alternative office floor space can be found in industrial areas, beachside strip retailing areas (generally upper floors), mixed commercial buildings on marinas and in emerging newer office areas such as Siganto Drive, Helensvale adjacent to the M1 Pacific Motorway.

Office space in the industrial areas and beachside strip retail buildings is generally walk-up and would be expected to reflect rates of $200 to $275 per square metre per annum gross. Availability of car parking, either on-site or in surrounding streets, is often easier to obtain. New office premises in Siganto Drive have only been available over the past few years. Their rental levels tend to be in the order of $400 per square metre per annum gross inclusive of car parking. However, if you want a small office suite in a contemporary building on a marina, then you could expect to pay up to $525 per square metre per annum gross for the views.

Overall, the pendulum for the office leasing sector on the Gold Coast has definitely swung back in favour of landlords.

Notwithstanding all of the above comments, with the cash rate remaining at historically low levels and the Gold Coast having a high percentage of strata office premises, we continue to see owner occupiers actively seeking to buy their own premises rather than lease.

Wide Bay

In broad terms, rental levels have been stable in the Wide Bay office market at between $150 and $250 per square metre. Demand has been at a stable and moderate level for smaller sized offices while larger office space has experienced softer demand and is generally more susceptible to volatility in the rental level. Most office developments in the Wide Bay market over the past few years have been related to medical or government departments at higher rental levels of around $300 to $400 per square metre. Trends to keep an eye on in our office markets would be the continuation of hot desk offices and the impacts the new specialist medical office supply industry could have on the existing office market.

Gladstone

In line with most sectors of the property market in Gladstone, the office market has experienced a significant softening in recent years. Increasing vacancies over this time have resulted in downward pressure on rentals. In some cases there have been reductions in the order of 50%. Current rentals for office accommodation are generally being negotiated at between $225 and $300 per square metre gross for average sized tenancies within the CBD of 100 to 400 square metres. Tenancies in excess of this size are very difficult to let in the current market, with few tenants requiring accommodation of this size. We are aware of one large, modern office tenancy of 800 square metres in the CBD that was leased earlier in the year. The rental reflected $233 per square metre gross. Other accommodation proving difficult to let in the current market are offices in secondary locations, dated and poorly presented accommodation and first floor walk up tenancies. Due to current vacancies, tenants currently have bargaining power and new leases often include a rent free period or contribution to fit out works. While market conditions appear to have started to bottom out, we consider the market remains volatile. We do not forecast any upward movement in rental rates in the short or medium term until current vacancies are absorbed and new projects commence in Gladstone.

Rockhampton

The rental market for office accommodation in Rockhampton has remained relatively steady throughout 2017. There has been a slight softening of rentals due to current supply mainly for secondary office accommodation.

Rockhampton benefits from a fairly diversified economy and offers a good supply of office premises which would suit both national and local tenants. National tenants generally pay a premium for their accommodation but in return demand a better quality building. For example, we are aware of a national tenant paying $400 per square metre gross for a 250 square metre office for premium grade office space in the CBD (39 East Street, NAB Building).

Currently, office rentals for space below 300 square metres within the CBD or other well situated locations are typically achieving rents in the order of $250 to $350 per square metre gross.

Modern premises within the CBD that offer functional layout and good parking are certainly able to achieve the higher end of this range. Larger office accommodation has been difficult to let, with few local tenants requiring floor areas of this size. Tenancies of this size typically appeal to government and national tenants who require more space and are not as sensitive to rental affordability.

We are aware of one recently negotiated lease for a modern office tenancy in the CBD of approximately 800 square metres, which has leased for $250 per square metre gross. This lease does not incorporate car parking. Secondary office accommodation of sub 300 square metres is generally attracting a rate range of $150 to $200 per square metre gross. Given the higher supply relative to demand, negotiable conditions are available to tenants with their bargaining power. Incentives such as rent free periods or contributions to fit out are common in new lease negotiations.

Buildings which are showing signs of age or are in poor condition are sitting vacant for extended periods of time. It appears that demand is there for realistically priced and tidy office space that is well located and provides on site car parking.

We do not forecast any increase in rental rates in the immediate term until current supply is absorbed and local economic conditions improve.

Mackay

The office rental market in Mackay has experienced a significant downward correction in rental levels as a result of the coal mining downturn. The majority of recent office leases have been for properties less than 200 square metres in the Mackay CBD and are usually negotiated on a gross basis. In 2017 incentives have still been common place in the current market with the most recent incentives of up to three months rent free. The market has been most active at total annual rental ranges of $10,000 to $45,000 per annum gross. The highest recent rental was struck at approximately $212,800 per annum gross in April 2017 which was a new lease to the sitting tenant. The market is approaching its cyclical trough, although agents are reporting increasing interest from tenants and improved market sentiment.

Townsville

Our recent CBD office survey indicates that over the six month period from January to July 2017, a net absorption of 2,026 square metres of office space occurred in the CBD. This is the highest level of net absorption over a six month period since our January 2014 office survey when two new office buildings came online.

While this absorption is a positive for our CBD office market, overall there remains an oversupply of office space available relative to the current demand in both the CBD and the suburban office markets. This high level of vacancy is maintaining downward pressure on rental rates and we continue to see incentives by way of rent free periods and fit-out contributions in order to attract tenants.

Confidence is being generated by Adani's $22 billion Carmichael Coal Mine and the recent opening of their Townsville office in June 2017 (expected to house about 500 employees). This project in conjunction with the $250 million North Queensland Stadium development which has commenced site works, is tipped to have a positive impact on the local economy but the timing and extent of the tangible impact this will have on the property market remains to be seen.

Cairns

The Cairns office market is relatively shallow and experiences limited sales activity. The market has also experienced limited new development. The last large office building constructed in Cairns was the State Government office tower completed in 2010. There are no known new developments in the pipeline.

Commercial property sales in Cairns, inclusive of retail and commercial office premises, remain well below the peak levels achieved in the 2005 to 2007 period. Prices paid for secondary strata titled premises have been relatively stable since 2010 at around $2,500 to $3,000 per square metre of floor area.

Most new office space leasing demand is for smaller areas and for modern, good quality green star rated premises, however there is only a handful of such buildings in Cairns. These buildings achieve high levels of occupancy and are experiencing stable rent levels typically of $350 to $400 per square metre per annum. Demand for lesser quality space remains limited and there is a large oversupply of good quality non-inner CBD and well exposed secondary space in the $200 to $275 per square metre per annum rental range. These conditions have placed downward pressure on secondary rents and have seen the emergence of incentives.

Overall the Cairns office market is expected to show little change during the remainder of 2017.

Northern Territory

Darwin

The rental market for office space across Darwin remains moribund and it is difficult to see how this will change in the short or medium term.

> Some sub-markets do remain brighter than others, so a prudent investor might still see some opportunities.

Certainly the more limited supply of A grade space is more sought after than lower grade space which is proving almost impossible to let. Vacancy rates in the CBD's top four or five buildings are significantly lower than the rest of the CBD market and this situation is expected to continue as tenants seek out the limited supply of better quality accommodation.

Some areas outside the CBD are also punching above their weights when it comes to maintaining office rental levels. In this regard, we especially note Berrimah Business Park which many tenants prefer due to its modern accommodation, availability of parking and location closer to the demographic centre of Darwin than the CBD.

Growth of the office market in the Palmerston CBD is expected to be stifled for some time due to the introduction of parking meters, the Council's well documented difficulties with the proposed new multi-level carpark and the loss of the Health Department's office requirements to the Darwin CBD.

The market is also weak in Alice Springs. Similar to Darwin, the dominant tenant is the NT Government and the fact that they have adequate space means little movement in the market. Consequently rents are under downward pressure and incentives are increasing. While this is not good news for landlords, the situation is not as difficult as it is in Darwin at present.

Western Australia

Perth

There is a general feeling in the Perth commercial office market that we have hit the bottom. Mining companies are beginning to look at projects and are beginning to pull sub-lease space off the market. Further office market flight to quality and centralisation trends have resulted in the highest six month net absorption rate of the national CBD markets. Underpinned by the flight to quality trend, the Prime grade office vacancy rate has declined for the first time since 2012.

In the 12 months to June 2017, approximately 120,000 square metres of office space was leased, 85% of this in the Perth CBD.

Of the space leased over the past 12 months, 80% was in Prime or A grade space, further imprinting the flight to quality mantra running in the market.

Two of the largest deals in the past 12 months include new leases to sitting tenants, Inpex, a Japanese oil and gas company, and Quadrant Energy, an Australian oil and gas company, in 100 St Georges Terrace. Inpex has committed to 13,000 square metres and Quadrant 7,000 square metres. As part of the renewals, a significant refit will be undertaken to their floors. While there continues to be examples of firms seeking to rationalise space requirements through relocation strategies including consolidation of separate tenancies, an increasing number of tenants have upgraded and taken on or taken back expansion space.

Net face rents in Perth typically range from $600 to $725 per square metre per annum for Premium grade, $475 to $650 per square metre per annum for A grade and $250 to $475 per square metre per annum for B grade.

Incentives began to rise in 2013, resulting in a decline in net effective rents of between 40% and 50% over the three years to 2016. Notwithstanding that, incentive levels still vary greatly by building. Incentives in Prime grade in the CBD are close to 50% on average. Secondary grade incentives are slightly higher, averaging 50% or above in some cases. Net effective rents typically range from $315 to $380 per square metre per annum for Premium and between $250 and $340 per square metre per annum for A grade, representing no change over the year. While the CBD market has re-based its rental indicators, a differential between the precincts and prime and secondary stock still exists. This dynamic is creating pockets of opportunity for tenants looking to tap into the increasingly competitive gap in the market to upgrade to higher quality prime space at similar or in some cases a lower cost than their existing tenancy.

Residential

HERRON TODD WHITE RESIDENTIAL

National Property Clock
October 2017
Houses

Sydney
Coffs Harbour
Griffith
Newcastle
NSW Central Coast

Melbourne
Gold Coast
NSW Mid North Coast
South East NSW
Sunshine Coast

Adelaide
Canberra
Hobart
Albury
Ballarat
Bathurst
Bendigo
Burnie
Devonport
Echuca
Launceston
Lismore
Mount Gambier
Orange
Tamworth

Latrobe

Brisbane
Cairns
Emerald
Hervey Bay
Horsham
Ipswich
Mildura
South West WA
Townsville
Warrnambool
Whitsundays

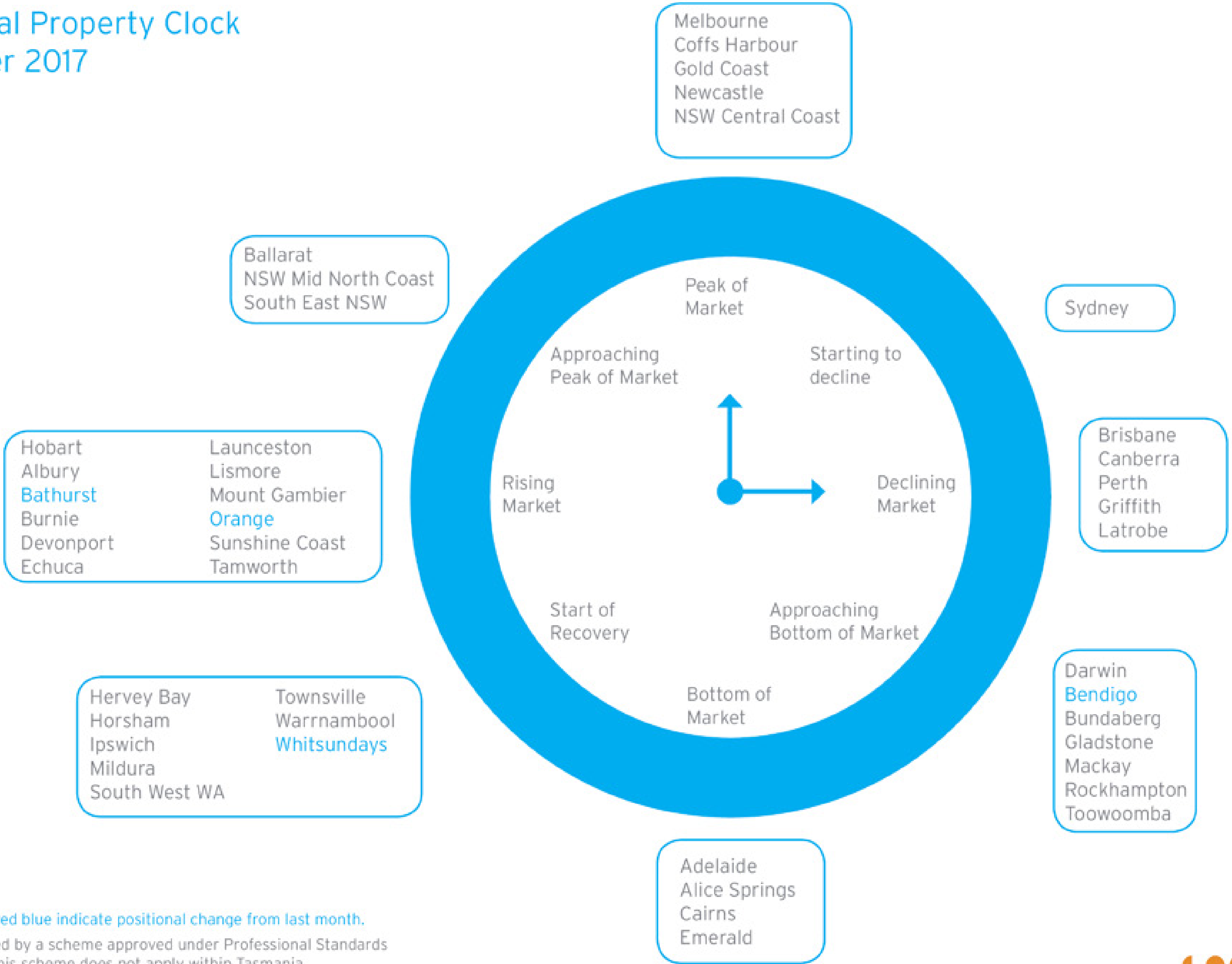
Bundaberg
Rockhampton
Toowoomba

Perth
Darwin
Alice Springs
Gladstone
Mackay

Entries coloured orange indicate positional change from last month.

HERRON TODD WHITE RESIDENTIAL

National Property Clock
October 2017
Units



Entries coloured blue indicate positional change from last month.

Overview

Housing is always in evolution, but it's exciting to think were we sit in the cycle. The advent of mobile technology, the way we interact at home (or fail to in some instances) and how we respond to affordability and housing supply, all come into play when we look at home design.

This month, we've asked our professionals to give a guide on typical house design and type in their service area. We've then asked them to discuss how housing has continued to adapt and change in their patch. Finally, some have braved an attempt at discussing where the future of housing is heading, so you can stay well informed.

Sydney

Traditional housing styles in Sydney vary substantially depending on the era a neighbourhood was developed and where they are located in relation to the CBD and other major centres. In general, parcel sizes tend to increase as you move further away from the CBD and can vary from inner city parcels as small as 50 square metres to accommodate terrace housing through to large acreages on Sydney's outskirts. The great Australian dream of having a house on a quarter acre block appears to be a thing of the past as land owners look to capitalise on the development potential these sites now have and purchasers continue to demand more affordable housing options.

As urban sprawl continues westward, we are able to look back at the housing styles and how they are shaping the future. Housing options such as dual key units and housing on lots of less than 300 square metres often associated with inner city living are now becoming popular in the outer suburbs of Sydney.

Inner Ring

This section of Sydney has always been known for more condensed housing options with high density living a requirement in the CBD and fringe suburbs. Despite this, housing options continue to evolve as home owners and developers look at new styles of accommodation.

There has been an increase in the number of dual key units being constructed, particularly in areas close to the CBD. The Central Park development in the suburb of Chippendale has a relatively high percentage of these dual key style units. The most prominent design in Central Park is a common entry door with foyer and then two separate areas with their own doors, usually known as Unit A and Unit B. Typically one of the units will comprise one bedroom, living and dining area, kitchen, bathroom and laundry while the other side of the unit typically comprises studio style accommodation with kitchen, bathroom and laundry. This unit design mainly attracts investors due to the premium yield that can be achieved, however it also poses an opportunity for small families wanting dual occupancy arrangements.

Studio style accommodation conjures up thoughts of shoebox units in the inner city where you are unable to swing a cat. Over recent years though, we have seen a change in the design of studio units and also an increase in the number being built. We no longer see studio units just in the in the inner city, but in city fringe suburbs such as Waterloo, Zetland, Rosebery and Mascot. Studio apartments in these areas are often called partitioned studios, having a separated bedroom area, although still partly open to the main living room. These units are typically larger than a traditional studio and provide a far more appealing product. Often these partitioned studios are built by the developer to conform with council or development requirements.

Although there has been a definite increase in high density unit style living in inner Sydney, it appears that families may still not be sold on the idea. A recent article in The Australian Business Review discussed one of Harry Triguboff's rare mistakes when it came to 3-bedroom units. Triguboff increased the number of 3-bedroom units within his developments on the assumption that families would increasingly demand this style of living as houses became unaffordable in suburbs close to the city. It appears though that this predicted trend towards families living in unit style accommodation was not the reality, with this demographic preferring to move to a suburb further from the city where they could afford a house. The consequence has been that these 3-bedroom units have struggled to sell and when they have sold, haven't achieved the expected sale prices. This trend may change in the future, but the majority of the market doesn't seem to be quite ready for family unit living just yet.

A typical dual key unit in Central Park.
Source: realestate.com.au

A typical studio unit in Surry Hills.
Source: realestate.com.au

Warehouse conversions are still in full swing within the inner suburbs of Sydney. Although not considered to be a recent trend, this type of development is still proving popular with buyers. Moving away from your more traditional modern style complexes, warehouse conversions have the unique features buyers are looking for such as high ceilings, exposed beams, windows and in addition the feel of living somewhere that has some history. Inner suburbs such as Surry Hills, Darlinghurst and Redfern are popular suburbs for these types of redevelopments. A recent warehouse conversion development at 119 Kippax Street, Surry Hills is nearing completion with the majority of units selling off the plan in 2015. More recently 1-bedroom, 1-bathroom units with no parking have been selling for approximately $1.2 million.

A warehouse conversion in Surry Hills.
Source: Herron Todd White

With limited land area in the inner suburbs of Sydney, self-contained studios above a detached garage are proving popular for use as additional accommodation for guests, a teenage retreat, rented out for extra income or an alternative to a granny flat. Suburbs such as Alexandria, Paddington, Queens Park and Bondi Junction have seen an increase of this type of product, with a number of properties in these locations having rear lane access.

Middle Ring

As the greater Sydney population continues to grow, the demand for people to be located closer to central city hubs has put an immense strain on the traditional Australian dream of buying a house with a back yard. Traditionally, the middle ring suburbs comprising areas such as St George, Sutherland Shire, Bankstown, Strathfield, Parramatta and Ryde have featured blocks of between 600 and 1,000 square metres, some even larger. The styles vary depending on when suburbs were developed from the early 1900s through to today. This results in a fusion of different designs and styles as seen below:

Source: RP Data

Designs and styles seem to have evolved more in the past ten to 15 years than ever before. In addition to new subdivisions, with parent parcel sizes sometimes averaging less than 600 square metres, people appear to be more and more accepting of close quarters living with duplex and unit developments springing up at an increasing rate.

Despite increasingly smaller of blocks of land, newer freestanding homes being constructed seem to be getting larger. When a new dwelling is constructed, 350 to 400 square metres of living area is not uncommon and these are often replacing houses built more than half a century ago which had enjoyed only 100 to 150 square metres of living area. Houses of this size can offer 5- to 7-bedrooms all with en suites, possibly suggesting that multi-generational living is on the rise. A large two storey 2013 built house in Hurstville at 62 Barnards Avenue which sold in September 2017 for $2.020 million had 6-bedrooms and 4-bathrooms, including a bedroom and bathroom on the ground floor, along with multiple living areas, a design suited to housing an extended family.

A large modern home in Hurstville.
Source: PriceFinder

Residential

Similarly, granny flats are another example of multi-generational living with an ever increasing percentage of adults remaining at the family residence until such time as they are ready and able to venture out into mortgage land on their own.

Either way, indoor/outdoor living is an integral part of most designs with a focus on features such as outdoor kitchens, bars, speakers/media and heating and cooling options, often with very generous budgets.

A large alfresco area with outdoor kitchen and pizza oven. Source: RP Data

Developers are currently active in central western Sydney, especially around Parramatta and Cumberland council areas. These developers, both small and large scale, are snapping up parcels of land that meet minimum planning requirements to build duplexes or amalgamating higher density zoned sites to make way for townhouse or unit developments along major transport hubs. Although the need for the traditional family to own their own home still and will continue to exist, the definition of home has expanded to include an array of designs: duplexes, triplexes, units, villas and townhouses; not only because they are more affordable options, but they are generally more centrally located to shops, amenities, schools and public transport.

In addition, the changing face of Parramatta is highlighted by the higher density complexes being constructed. We have seen the recent completion of Altitude by Meriton, which is currently the tallest residential tower to date for Parramatta topping out at 54 levels with 1-bedroom units starting from $592,000 without car parking and from $634,000 with a car space, clearly a sign of things to come for the area.

Outer Ring

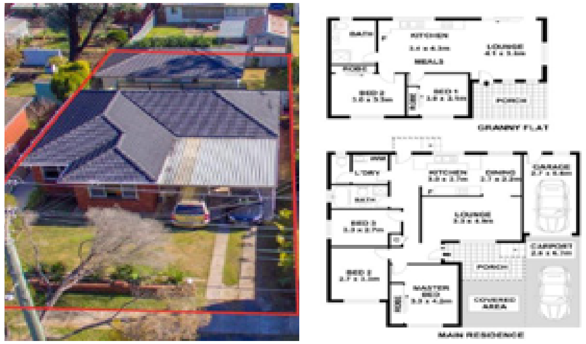
The changing face of western Sydney housing is most prevalent in the new estates with smaller block sizes being released, more semi-detached housing and high rise residential developments being built in areas not traditionally known for high density living. We have also seen the rise of the granny flat for both owner-occupiers and investors.

Marsden Park is a new suburb in the Blacktown LGA with a recent release providing 3-bedroom, 2-bathroom house and land packages on 270 square metres of land for around $680,000. Traditionally, areas further away from Sydney's CBD offered larger landholdings, but today these pocket sized blocks are becoming more common in western Sydney as housing densities increase and developers along with councils address affordability concerns by offering a product that appeals to entry level buyers.

We have also seen high density units and high rise developments being constructed in areas that have not seen this style of development for a number of years or ever. This is mostly due to surging values now making developments like these more feasible. Examples include Lord Sheffield Circuit in Penrith, located in the new Thornton precinct, providing new 1-bedroom units for circa $450,000 and in Blacktown an under construction 20 storey development at 29-31 Second Avenue offering 1-bedroom units from around $470,000.

Dual key units, often found close to the CBD, are now popping up in areas such as Liverpool where a 2-bedroom, 1-bathroom, plus studio and 1-bathroom unit at 420 Macquarie Street sold in July for $598,000.

Popular with investors in western Sydney is adding a granny flat to the rear yard. This not only adds value to their existing home but with the right set up is able to increase yield substantially with a dual income. The areas that appear to have a high proportion of granny flats are generally the outer rings of western Sydney. The comparatively lower initial entry point for the main dwelling, larger block sizes suitable for granny flats and consistent rental demand in the area make these locations popular. Currently rental yields are approximately 2.8% for dwellings in Sydney (source: CoreLogic). Our investigations indicate that house and granny flats have been selling at a yield of approximately 5% in recent times. In years gone by owners were achieving stronger returns, but due to strong capital growth in the area and relatively stable rentals in these areas, yields have compressed.



A house and granny flat which recently sold in Blacktown. Source: realestate.com.au

South-western Sydney has long been considered a cheaper option in comparison to locations closer to Sydney CBD. Given that this market is generally more affordable, buyers have typically expected a traditional detached family home on good sized land that benefits from a big back yard and plenty of space. However in recent years, on the back of continued growth and price increases in Sydney, we have seen these areas moving toward higher density style living arrangements that provide flexible floor plans and have the benefit of accommodating multi-living/inter-generational options or possibly an increased rental yield for an investor, or a mix of both - live in one, rent out the other.

A modern home in Oran Park, which sold for $835,000 in March, incorporating dual living under the one roof line. Source: realestate.com.au

While the general trend is moving towards higher density, smaller lots and dual living arrangements, there is still the more traditional market that demands larger family homes on a quarter acre block, through to the more substantial acreage lifestyle properties found further out in areas such as Ellis Lane and Kirkham situated within close proximity to Camden town centre.

Conclusion

Developers, planners and home owners will continue to push the boundaries for housing sizes and styles to meet changing lifestyles and to help alleviate housing affordability issues. What these recent housing trends highlight is the changing way society is living, with more people opting for low maintenance blocks or high density living within close proximity to services.

Overall we expect to see continued density increases due to changing family demographics, improving infrastructure and growing population, particularly around western Sydney which is in close proximity to the second airport, motorways and Parramatta CBD.

Canberra

As Canberra is a relatively young city compared to other Australian cities there is no real housing type that has dominated the market or become a trademark of the city. There are a number of different housing types across the city. Some have remained popular and some have become redundant.

Lately there has been a large increase in the number of townhouse developments being constructed. These mainly consist of 3- or 4-bedroom, 2-bathroom dwellings in multi-unit complexes. The majority of these have been built in newer suburbs. The flexibility of these dwellings is probably the reason for their success. They often appeal to a range of demographic groups including first home buyers, downsizers and young families looking to move to the suburbs.

Ex government dwellings have seen a revival in recent years with renovators and young families looking to move into an established suburb and into a family home.

They are also popular with investors looking to renovate and sell. This market has been driven by the strong demand for detached housing especially in established suburbs. Due to their simple design, most ex government houses can be easily renovated or extended.

The ACT government is keen to limit future sprawl of the city and increase the density of existing areas. This will probably lead to more apartments and townhouses throughout the city. The light rail project may also increase the trend of high density living as the majority of housing along the route is apartments.

The increasing population and infrastructure projects have forced the housing trend towards higher density living. While opportunities still exist in the detached housing market they are becoming further out of reach for most people.

Illawarra

You only need to take a look at any new subdivision to see how varied traditional housing style has now become. Subdivisions routinely have lots ranging from as small as 250 square metres up to on average 700 square metres with the odd larger block thrown in. They are also likely to accommodate duplex or medium density townhouse developments. For developers it can be all about squeezing in as much as possible and an affordability crisis means consumers will take what they can get.

Shell Cove is a good example of the variance of new subdivisions with many single dwelling lots available around the golf course mostly ranging from 400 to 800 square metres and higher density attached and detached housing available closer to the proposed marina. The great Australian dream does live on in some areas with a subdivision in Wongawilli having a minimum lot size of 2,000 square metres however this sort of subdivision may not be as profitable for the developer and in most cases will only be developed when town planning controls dictate it.

In the more established suburbs there has been a sharp rise in infill housing including subdividing larger lots, knocking down and building duplexes or even townhouse construction over adjoining lots. Savvy mum and dad style developers are keeping their eyes out for properties to become available that they know will meet the local council requirements for a second dwelling or duplex construction. Growth in the residential market is making these small time developments very profitable.

With its close proximity to Sydney, housing in the Illawarra is in huge demand and as long as this continues we are likely to see denser and denser living.

Southern Highlands

The traditional housing style across the Southern Highlands is a tale of two markets, near and far. For properties located close to the main townships of Bowral, Moss Vale and Mittagong, the purchaser's decision is driven in the main by access to infrastructure and price point. Properties will be on blocks from 800 to 4,000 square metre and improvements will range from early 1980s, 3-bedroom brick veneer, concrete tiled roof to new residences constructed in the country style of weatherboard, metal roof and attached verandah. Price points will be in the $550,000 to $2 million range with the most active market being the sub $1.5 million market. Over the past couple of years and with changes in the Wingecarribee LEP, large blocks close to town have progressively been subdivided and infill development has taken place.

For properties outside the townships, affordability and rural lifestyle are the main drivers. On the affordability front, the hamlets north of the township of Mittagong, namely Hill Top, Colo Vale, Bargo and Tahmoor, have seen an influx of activity in the sub $700,000 market. Properties typically will be 1980s to 1990s 3-bedroom weatherboard or brick veneer on land sizes from 700 to 1,000 square metres.

Rural lifestyle properties traditionally have been situated on the outer rings of the main townships of Moss Vale, Bowral and Mittagong. Typically comprising 40 hectares of land, improvements range from modest weatherboard and metal roof dwellings with redundant ancillary improvements to substantial architect designed residences with substantial ancillary improvements, yarding, horse arenas and ornamental lakes at the upper end. Price points here range from $1.5 million to $4 million plus and typically would be around the $2 million mark.

The region continues to benefit from the ripple of the Sydney market, with new land releases north of Mittagong to cater for new residents in the region. The recent announcement by the NSW Department of Planning that Wilton Junction has been designated as a priority growth area has brought the reality of the new township to accommodate up to 16,500 dwellings across the 4,175 hectare site located off the M5 East Freeway a step closer. Other areas earmarked for residential development include Tahmoor and Appin. Closer in to the existing townships of Mittagong, Bowral and Moss Vale, it's anticipated there will be limited releases of land predominantly restricted to resubdivision of appropriately zoned larger lots.

NSW Central Coast

The transition and settling of new residents across the Central coast region over the years with differing needs, ideas and budgets allows us to say that there is a vast range of housing styles available across the region. Brick veneer and fibro cottages remain the predominant traditional housing style and they have appealed to both investors and owner-occupiers.

We say transition because over the past few years, we have seen original cottages being extended and renovated with modern interiors, incorporating modern building techniques and finishes – think louvre windows, raked ceilings and more efficient heating and cooling, while still maintaining some original elements.

Brick veneer remains a popular choice for homeowners and investors purchasing an existing property for ownership or renovation.

For a new build, modern designs are focused on lightweight materials to create a simple and sleek look. Natural colours and materials such as timber and stone with grey, brown and green palettes are currently trending.

Although it is restricted by higher building costs, we'd like to think there is an emerging trend of a focus on environmentally conscious builds.

In Gosford CBD, attached housing has become more attractive for investors and home owners as it remains affordable and in close proximity to public transport. Various areas including Terrigal, Avoca Beach and The Entrance are seeing an increase in attached housing as purchasers are looking for a more affordable option in these sought after areas.

Although the design of units hasn't evolved significantly at first glance, due to the engagement of notable architects, we are seeing a far superior product emerging in the off the plan units space, appealing to investors and home owners alike.

In terms of size, detached houses on larger blocks are becoming harder to find. We are seeing living areas maximised with better planning and design – the move away from laundry rooms to laundry cupboards is a good example. The advantages of light and space are also being maximised.

Toward the northern end of our region, while larger homes remain the preference for larger or blended families, this may change as Tuggerah and Wyong town centres are developed and attached housing becomes an attractive, affordable option.

Elsewhere, many fibro houses on large blocks are being purchased by investors who are developing units or townhouses to cater for the growing attached housing market, presently still the domain of renters. It can be broadly split into units being primarily occupied by younger, single residents and townhouses being occupied by retirees and partners.

Both affordability and value adding is being addressed through an increase in granny flats and dual occupancy developments, particularly in southern areas such as Woy Woy, Umina and Ettalong where many properties have the attraction of dual access.

An example is a property in Umina Beach purchased for $315,000 in 2009. A granny flat towards the rear of the property was added during 2016 and the property sold in 2017 for $895,000. The granny flat has the potential to earn an approximate rental of $400 per week.

This creates an aspect of inter-generational living as granny flats are occupied by grandparents or adult kids with families, or separately rented for income generating purposes.

As the Central Coast population continues to grow, the idea of attached housing may become more appealing, increasing the number of residents in these houses. There may be an increase in environmentally conscious materials as they become more affordable.

However, the demographic of larger households on the Central Coast is likely to continue the popularity of larger homes.

NSW Mid North Coast

This month we look at how property has evolved in our market over the past years, why it has changed and how it is performing today.

The major township in our region, Port Macquarie, is made up or many diverse types of accommodation, from high rise units, holiday apartments, townhouses and villas through to residential houses on both large and small lots.

To the east, much of the low to high rise unit accommodation was built from the 1970s through to the 1990s accommodating young singles or older retirees. Most of these buildings are located close to the town centre and beaches and within walking distance of the CBD, local shops, beaches, public facilities and transport.

Over the past ten years we have seen a push away from high rise units and therefore building of this type of development has slowed. An influx of families settling in Port Macquarie has led to family orientated, more conventional homes becoming most popular.

To the west of Port Macquarie there is a limited number of older established residential areas generally developed with Department of Housing style residences during the late 1970s and 1980s. These areas are now seeing gentrification and these previously predominantly rental areas are now becoming more owner-occupied and are being renovated. This area is becoming more popular as the urban sprawl continues to the west.

Throughout the 1980s and 1990s the growth of Port Macquarie was predominantly to the south. The areas of Hastings, Shelly and Lighthouse Beach have a good display of these types of dwellings.

During recent times the medical and education sectors of Port Macquarie have drastically expanded and the property market has seen an increase in demand for large and small residential homes and villas or granny flats within the western areas, including Sovereign Hills, Thrumster, Brierley Hill and Ascott Park.

Land lot sizes have also decreased over the past decade. Older subdivisions predominantly have larger lots ranging from 700 to 900 square metres, however new residential subdivisions are developing with average lot size of between 450 and 600 square metres. This trend is partly due to increasing development costs and developers attempting to make development more profitable and partly due to more demand for low maintenance properties (for both our ageing population and younger couples with no children).

Dwelling sizes have also changed with smaller 3-bedroom dwellings becoming more popular, especially for retirees. This market has also expanded for new dwellings to consist of a 3-bedroom dwelling plus a 2-bedroom attached granny flat, all under the same roof. These are providing either a benefit to the purchaser by way of having close family members reside with them or providing an income by way of leasing.

Another popular trend focus is dwelling layout and design, with many builders now offering reduced function areas and expanded living areas, with features such as activity rooms, media rooms, office nooks, etc.

At present demand for vacant land is meeting supply, however with a large number of lots soon to be released at Lake Cathie together with the backlog of public infrastructure and facilities requiring development, the Lake Cathie area may have an oversupply of vacant land and cause market stagnation. This in turn may add more pressure to further expand the fringe residential subdivisions of Port Macquarie and increase demand for local existing dwellings.

For the most part though, residential dwellings of 3- to 4-bedrooms are still out performing all other types of dwellings with good capital growth and rental returns. This demand is evident from sales of land and dwellings within the new residential subdivision sites surrounding Port Macquarie.

Newcastle

Same, same, different.

Nothing has really changed in Newcastle over the decades. We still have areas of growth and expansion getting piled high by homogenous housing stock with limited differentiating features or attributes. In the 1950s and 1960s it was red brick and tile 3-bedroom homes; now it's brick/rendered and colourbond with 4-bedrooms, 2-bathrooms and built in double garages. The main difference is simply that the distance is further to the centre of town and all the good stuff.

Interestingly many of these 1950s and 1960s homes are either making way for newer, more modern infill housing or being extended and renovated to within an inch of their lives. One major difference is that today we want bigger, roomier, more spacious houses than those built by our parents and their parents. That's quite a challenge on inner city infill housing when land sizes are constrained by surrounding properties.

A trend that is gathering pace is almost the complete opposite to the houses getting bigger. Land sizes in new estates are trending smaller. Whereas it used to be around 650 square metres or so for a standard residential lot, the size seems to have decreased to around 450 square metres and in some cases much smaller again. This seems to be on the back of investors who want minimal maintenance for prospective tenants. These parcels of land end up being mostly all house. The smaller sizes don't seem to result in intrinsically lower prices and it appears as if the market has absorbed smaller lots without factoring in a price decrease. Developers get a higher yield from the same englobo land. That simply appears smart.

Infill housing always seems to trend smaller and more compact given the size constraints that cannot be overcome by spreading outwards. Upwards is almost the only option and occasionally downwards. Downwards is largely limited in and around Newcastle due to historic mine subsidence issues. Infill unit and townhouse developments are proliferating in inner city Newcastle and the densities seems to be increasing. The transition from large country town where everyone gets a block to call their own to modern high-density living started with furious pace in the early and middle parts of the new century and has really kicked on in the past five years. Less yard maintenance appears to be one of the factors at play.

Whereas the larger Australia cites and holiday hot spots such as the Gold Coast have embraced unit living for decades, Novocastrians have taken longer to get on board the bus. Once on that bus however, we have become enthusiastic patrons lounging around in the back seat having the time of our lives, yelling good natured banter to anyone within earshot like a little brother just stepping out from behind mum's shadow, testing our boundaries - finding out what life is really all about. Like all cocky little siblings, we are probably due a clobbering or two in the future to keep us in check, but that should just result in a stronger more resilient being.

Tamworth

Throughout Tamworth the traditional housing style is the 3-bedroom, 1-bathroom brick and tile dwelling set on 600 to 1,000 square metres. These dwellings consistently sell well to both owner occupiers and investors and rent well throughout the year. While this style is consistent throughout Tamworth we are beginning to see a shift in certain suburbs. In East Tamworth it is the double brick federation style homes being chased by owner occupiers, while in the newer suburbs it is the 4-bedroom, 2-bathroom dwelling with built-in garage and under main roof entertaining areas.

As Tamworth continues to expand we expect to see the trend towards newer and larger dwellings continue. The biggest driver for this is the range of land available. With vacant lots available from 600 square metres up to two hectares and everything in between, it is giving owners options and allowing them to build to their requirements, whether that is family (4,000 square metre lots) or first home owners (600 square metre lots). The inner suburbs have seen little change over the past decade in terms of housing style.

A growing trend that has occurred over the past three years is the duplex style property, in particular dwellings with a main 3- to 4-bedroom dwelling at the front and an attached 2-bedroom flat to the rear. These have become quite popular with investors with several building companies now offering variations of this to the market. Traditional attached dwellings such as units remain the domain of single residents and renters, however semi-detached townhouses have certainly gained popularity with retirees over the past few years.

Overall the housing trend in Tamworth has remained fairly similar over the past decade. There has been a small shift towards larger family homes with a difference of around 20 square metres of living area between the average 4-bedroom home built in the mid 2000s and those built in 2017. The general style though has remained fairly consistent and we expect this to continue.

Bathurst

Housing has changed as building methods and materials have changed. The region has some of the oldest remaining dwellings in Australia outside of Sydney with Bathurst being established in 1815. The traditional method includes brick outer and interior walls with internal timber floors on piers. The majority of timber found is cypress known to be sourced from Eugowra. The benefit of such timber is that it is not attractive to termites.

Glass was originally an expensive item when it was not produced in Australia and only available from England from where it was shipped in small regular sized squares which were pieced together to form a window. Windows were much smaller then due to cost and there are still some examples in existence.

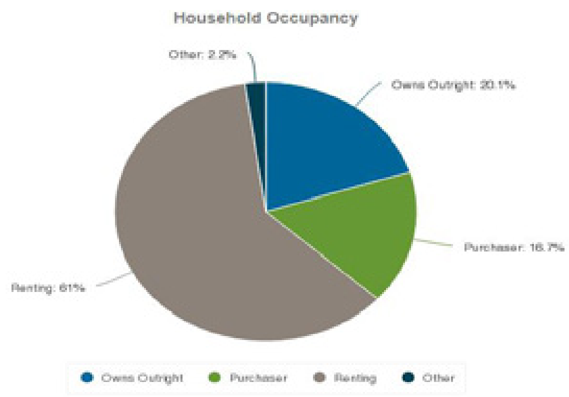
A notable change in Australia over time has been the enjoyment, and even preference, for eating outdoors, or in a room that allows as much of the outdoors as possible. Early culture was obviously adopted from the customs in England where outdoor eating does not seem to be very popular, but seems to be part of the culture in places such as France with its cafes and Germany with its beer gardens. Up market older style dwellings will most often have a dining room. These days there is rarely a dining room but more of an open plan area with room for a table. However, it's rare that a new house does not have an alfresco dining area which is great for barbecues. Personally, I would like to see the dining room make a comeback, but not to detract from our outdoor lifestyle or casual dining habits. To many, a dining room can seem pretentious and may conjure up the idea of sitting up straight with one's elbows off the table. Although it would have been unthinkable in the past to use a dining room for anything but what its name suggests, as situations change a dining room can be so much more and can also reflect modern living. It can be a rumpus or a toy room for children, it can be a work room and take on the functions of an office, or it can be a music room as a good spot to have an upright piano. Or, of course, when entertaining and it is too cold to eat outside, which is more of the year in this part of the country, then the dining room can be just that.

Victoria

Melbourne

Traditional housing in Melbourne's inner city has and is continuing to be dominated by apartment complexes and high rises, with 2017 seeing the development of a multitude of apartment complexes. The inner ring surrounding the CBD in 2017 has seen a great number of apartment complexes erected, with many home owners and investors gearing towards off the plan units within South Yarra, Southbank, Richmond and Prahran. Traditional, detached housings is still prevalent throughout the inner suburbs, but the landscape of Melbourne and the surrounding inner suburbs is shifting to strata titled units due to housing affordability and preference for low maintenance lifestyles.

Housing affordability has continued to push owners and investors looking for detached dwellings further out and away from the inner city as the housing market has become more competitive. Off the plan units and subdivisions of townhouses can be seen as strategies to combat housing affordability. The predominant age group within South Yarra and Richmond is 25 to 34 years, made up of young couples or lone households. Residents in these areas are predominantly renters (61% of occupants in South Yarra are renters), as the growth in price of these suburbs is moving families out. Families occupy only 22.3% of the housing *(RPData 2017).*



In the future, we expect housing in this market to continue to shrink, with off the plan units and new developments continuing to rise well above historic records, and households being shared by even more occupiers as renting continues to dominate these areas close to the city.

South eastern suburbs

The conventional style brick veneer single or double storey detached dwelling appears to be the most popular house type in the south-east growth corridor and includes suburbs such as Officer, Clyde North and Cranbourne East. The typical residence for the area is a dwelling with 3- to 4-bedrooms, 2- or more bathrooms, open plan kitchen and covered outdoor area. The new design includes butler's pantry, alfresco area, large walk-in-robes, dressing rooms and open space floor plans.

The south-east growth corridor has a wide variety of land parcel sizes depending on the timing of development. While sites of 500 to 700 square metres are typical in the original subdivisions, newly subdivided sites of 300 to 350 square metres create a large pool of affordable properties.

Generally the higher density developments are focused around activity centres such as Cranbourne Shopping Centre, Fountain Gate in Narre Warren and Casey Central in Narre Warren South. Often the compact design of townhouses, terraces and units reflects the developer's attempt to attract a different market including small families, investors and younger couples.

In order to assist residential developments with their energy saving objectives, a large number of the new-build projects include renewable energy fit-outs (solar panels) and energy efficient technologies (LED lighting).

The Hebel is a high performance autoclave aerated concrete building system that has become a popular masonry material within the building market of south-east Melbourne. Builders recommend using Hebel as an external and internal building product because it's efficient, stable and affordable and provides a high quality finish while maintaining the look and feel of solid masonry.

Middle to outer eastern suburbs
The great property evolution is in evidence in the Melbourne property market.

Within the outer eastern suburbs of Boronia, Ferntree Gully and Lysterfield, there is a conflicting interest between home owners and developers. Home owners are interested in larger living areas on smaller blocks of land while developers are seeking larger parcels of land with minimal improvements to then subdivide (subject to council approval). However, developers are also tending to seek properties close to amenities such as public transport and shops whereas home owners are more willing to be slightly further away from such amenities if it results in affordable property.

The majority of housing designs tend to be of a conventional exposed brick style with an increase in render and timber cladding for newly constructed or renovated dwellings.

Inter-generational living is more common within the middle eastern ring suburbs such as Mount Waverley and Glen Iris as these areas tend to be popular with overseas born families. There will often be three generations under one roof. Generally speaking, these homes have two master bedrooms with en suites and further bedrooms with built in robes and the generations share the kitchen, living and outdoor spaces.

It is believed that the future of housing in the eastern market will continue to shrink with regard to land size and the need to increase the quantum of dwellings to adjust to the increase in population and density. This will be driven by infrastructure upgrades such as the proposed Eastlink that are expected to assist in making transport into the outer eastern suburbs more convenient for home owners and renters.

Western suburbs
The inner western and north western suburbs of Melbourne such as Yarraville, Footscray, Moonee Ponds and Essendon are continuing to be redeveloped and are changing at a steady pace. Dated industrial buildings and older dwellings on larger blocks are being demolished to make way for townhouses and apartment complexes of varying sizes. As the population of Melbourne continues to grow, infill development is providing more dwellings for those wanting to live closer to the city centre. Investment purchasing continues to be dominant in Footscray, Flemington and Kensington with more than 50% of dwellings being occupied by tenants (RPData 2017). Intermixed with the modern style dwellings are renovated period dwellings, retaining many of the features of the original dwelling blended with modern fixtures and fittings. This is particularly evident in Essendon, Strathmore, Newport and Williamstown. While many are willing to embrace living in smaller spaces and foregoing a traditional back yard for a balcony or small courtyard, it does bring some concerns for infrastructure. With more residents moving on the roads, utilising the parking and public transport, these suburbs are feeling the pressure which will continue to be an issue with infill development continuing.

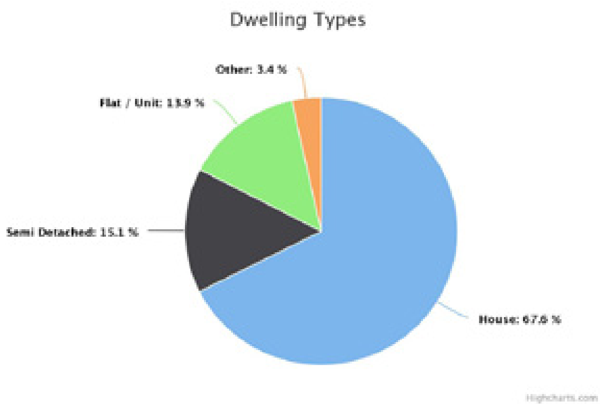
While not as rapid as the inner suburbs, we are seeing redevelopment occurring in western, middle ring suburbs including Laverton, Altona, Sunshine and St Albans. Older 1950s to 1980s style dwellings on sites of approximately 600 to 800 square metres are being redeveloped into multi unit developments. Geared more towards families, the redevelopments we are seeing are townhouses and units with typically small courtyards. These contemporary dwellings are usually brick veneer and feature rendering and light weight cladding externally with 2- to 3-bedrooms and 2-bathrooms. Many owner-occupiers are moving to these suburbs as they are generally more affordable than the inner suburbs. Investors are still active in these suburbs, however owner-occupiers dominate the market.

The outer western and north western suburbs are continuing to be developed with new estates opening, made up of approximately 300 to 450 square metre sites with a single conventional style dwelling consisting of 3- to 4-bedrooms with 2-bathrooms and 1- to 2-car garage. While there are a small number of townhouse developments these are not overly common as most purchasers look for a detached dwelling with a back yard. First home buyers and owner-occupiers dominate the market in the outer western and north western suburbs as these are the most affordable areas.

Northern suburbs

Australia in general and Victoria in particular have experienced rapid population growth during the past decade, leading to increased competition within the property market and thus increased housing costs. Those unable to afford larger dwellings and land sites in more developed (and therefore more expensive) eastern suburbs are turning towards Melbourne's inner and middle ring northern suburbs.

Melbourne's northern middle and outer rings comprise both established and developing suburbs such as Greenvale, Broadmeadows, Diggers Rest and Mickleham that offer value to those still following the Australian dream. A 3- to 4-bedroom, 3-bathroom conventional detached dwelling continues to be the most common dwelling type, although semi-detached 3- and 4-bedroom townhouses are becoming more popular due to their relative affordability. For instance, in Broadmeadows, detached dwellings comprise 67.7% of the residential market, with semi-detached dwellings and units and apartments comprising 15.1% and 13.9% respectively (REIV 2017).



Overall, Melbourne's outer north market has not drastically changed over the past decade, but rather evolved to accommodate dwellings on smaller land sites and utilise more modern building techniques and materials, including installation of gas boosted hot water units or rain water tanks to comply with the 6 Star energy efficiency standard of the National Construction Code.

While Melbourne's outer northern suburbs are still considered to be relatively low cost, blue collar suburbs with lower levels of household income compared to the eastern suburbs, they are also attracting young couples expanding their families and first home buyers due to the developing infrastructure (for instance construction of Merdna railway line) and a number of modern estates currently in development or nearing completion.

On the other hand, inner northern suburbs are seeing an increase in higher density developments to accommodate the growing population. In suburbs such as Brunswick and Coburg, semi-detached townhouses and medium rise apartment complexes are in high demand with both young couples opting to live in relative proximity to the CBD and downsizers choosing to exchange their larger detached dwellings in the outer rings for smaller accommodation closer to amenities and infrastructure.

Echuca

The local trends have seen something of a divergence in product between those who are able to utilise large scale builders for an incredibly economic product based on existing designs compared to those who are able or prepared to invest additional capital for individualised designs constructed by local builders.

Interestingly first home buyers appear to be trending away from older stock which can be renovated in preference for larger, more modern residences which can be constructed at affordable prices given the current interest rate environment.

By way of interpreting the market, several pockets appear to be prepared to pay for the extra bells and whistles for high end homes while the traditional mortgage belt segment is also trading well on account of tight supply partially dragging the older stock up in value.

Horsham

Horsham rural city and surrounds is comprised of residential homes established mainly in the 1960s and 1970s. These residences are mainly standard 3-bedrooms and 1-bathroom on an average 800 square metre block. With the population growth in recent years however, Horsham has seen the supply of established homes available for purchase decrease and a number of new subdivisions developed with new homes being built.

These new subdivisions have a large presence of homes being built through companies such as GJ Gardiner, JG King and Hotondo Homes, as these are the most affordable for the Horsham area whilst still providing young families the opportunity to be able to build their dream homes without the huge price tag. The new homes being built are mainly 4-bedrooms, 2-bathrooms and a double lock up garage. People are looking for more space for their families,

Whilst building a home is an affordable option for some, another popular option within the region is to buy an established home and renovate, inspired by the numerous renovation shows on television.

Whilst being centrally located in Horsham is more popular for most residents there are also many opting to venture to the perimeters of Horsham to purchase a small acreage block to either build their own home or buy something that has already been established.

Mildura

Most recent construction in Mildura has involved conventional 3- or 4-bedroom brick veneer dwellings, usually on lots of around 650 to 750 square metres. Most subdivisions also tend to feature one townhouse complex, containing between six and ten lots of around 400 square metres in size. Land sizes have definitely shrunk in the past ten years, driven not by demand but by the need for developers to find an extra bit of profit margin.

Smaller land sizes mean that it can be hard to also fit in a shed, pool etc and so more affluent buyers, particularly those with young families, often prefer to live in one of the rural residential subdivisions scattered throughout a five to ten kilometre radius of Mildura. These subdivisions mostly have land sizes of between 2,000 and 4,000 square metres and tend to have more substantial dwellings. The popularity of these larger properties waned during the last drought (mid to late 2000s) when water rationing made it hard to keep gardens thriving, however in more recent times this has been less of an issue and demand is once again strong.

As we have previously noted, Mildura is a sponge city, drawing people from a 300 kilometre radius. This is particularly true for retirees, who see Mildura as having a favourable climate, good medical facilities and excellent air transport (direct flights to three capital cities). This demographic has a variety of housing needs, with some choosing smaller homes closer to the Mildura CBD and some preferring larger homes in rural residential surroundings.

One noticeable change in new construction over the past 25 years is the move away from 2-bedroom units. Whereas many of the units built prior to 1990 contained 2-bedrooms, very few 2-bedroom units are now built, with buyers showing a strong preference for accommodation with 3-bedrooms and ideally also having 2-bathrooms. Buyers also have a strong preference for detached housing and very few developments with attached walls have been constructed in the past 20 years.

Most builders and home owners show traditional thinking when it comes to building materials and floor plans and we have subdivisions which contain very uniform housing as a result. It is likely that this will not change quickly, however we expect that in time, buyers will become more selective when it comes to building orientation and energy efficiency. Our forebears always sited their homes with a north facing orientation when possible, however the advent of reverse cycle air conditioning resulted in many home buyers no longer thinking about this. The increasing cost of electricity is expected to make buyers more conscious of the benefits of houses which require less energy to maintain a comfortable temperature.

Warrnambool

Warrnambool's housing style has evolved from early federation period style homes of stone and weatherboard construction to more modern brick veneer and light weight cladding designed homes.

With Central Warrnambool being largely fully established, residential dwellings are generally situated on mid to large sized parcels of land ranging from 650 to 1,200 square metres. The dwellings that occupy this space are constructed generally from weatherboard, conite and sandstone construction and range in style, with the most represented style being the Victorian dwelling, for which purchasers have always been prepared to pay a premium.

From the late 1970s to the modern era, the majority of dwellings being built within the middle and outer circles of Warrnambool have comprised predominantly brick veneer dwellings. The trend in these homes has evolved from a 3-bedroom, single bathroom dwelling, which generally had an attached single garage to a 4-bedroom, 2-bathroom dwelling with an attached double garage.

Unit living has remained the secondary asset class within Warrnambool with this market largely occupied by down sizers and investors. There is a trend arising in Warrnambool for more eco-friendly developments with owner-occupiers paying more attention to sustainable living and utilising materials more complementary to the surrounding environment.

Queensland

Brisbane

The blooming of Brisbane as a cultural and economic centre feels like it really hit the straps in the 1980s and we've been progressively gaining on our once "cooler" southern cousins for some years now.

As we travel further into this century, expect to see Brisbane continue as a hub of the underground - the true hipsters of the east Coast capitals. We've managed to forge our own path without being too flashy, quietly getting on with the job of reinventing ourselves as a desirable urban hotspot. Sydney and Melbourne best look over their shoulder – it's not just in the sporting arena that Queensland continues to shine.

In terms of housing, we have our long standing iconic residential constructions. There's a reason they call our famous timber-and-tin abodes "Queenslanders" – they are as imprinted upon our landscape as pineapples and beaches. Brisbanites hold a special place in their hearts for this building type which has dominated our hills and valleys since the late 1800s. They appeal to investors and homeowners alike.

In our high-end inner suburbs, where blue-chip money looks to make its mark, the Queenslander is king and if you've managed to snag one sitting high on a hill and/or perched on a large piece of flat dirt, then it's a real diamond holding. Many buyers are willing to spend hundreds of thousands, in some cases millions, of dollars renovating these properties, safe in the knowledge in the right location, it can be tough to overcapitalise.

One of the more recent movements in this renovation space is owners employing architects to create contemporary extensions on classic homes. It's tough to faithfully reproduce these stunning cottages with modern materials, so there's been a conscious choice to scrap that plan and go ultra-modern with a solid delineation between old and new. An excellent example is 34 Mullens Street, Hamilton which is being auctioned this month.

Into our middle ring we find many of the post war designs you'd expect in our climate. Skinny chamferboard clad 3-bed cottages from the 1960s, and lowest blonde brick 1970s homes are certainly about. While many may lack the character of the Queenslander, they do offer potential and are usually well built with tough hardwood frames that even a well struck nail has trouble piercing.

Outer suburbs are where the newer estates have been established and while the city's fringe still has a few timber icons of the mid-1900, brick designs of the 1980s through to now are most common on the outskirts.

As to how we've evolved, town planning and ongoing population growth have had their place. Progressive changes to our city plan have allowed for higher and higher density housing. It's not just units and townhouses we're talking about here. The rise of the small lots means more families can call the inner and middle ring home. Given proximity to the CBD, café hubs and other facilities is often top of list for owners, many will compromise on land size – particularly if clever design enhances the liveability of the small space.

In the world of new builds, Brisbane designers have often drawn on Modernist elements with open plan, large glass and seamless transitions between the indoors and outdoors.

We're also big fans of technology and any latest and greatest shiny things are well received by buyers. Interestingly though, there's been a rise in the number of Hamptons style homes in some of our high end addresses as well. And while we do enjoy open plan in Queensland, a push by some designers to create more rooms for families to enjoy alone time is making traction as well.

In terms of units, we are becoming more accustomed to this style of living in Brisbane. We've had our fair share of unit dwellers for some time now, although given our comparatively large supply of developable land not far from the CBD, most residents still prefer a piece of dirt where they can fire up the barbecue.

That said there's been a movement to unit living because they offer a more affordable option in desirable locations – perfect for first homebuyers to consider.

And while our well documented new-unit oversupply situation continues to loom large, there has been a ray of sunshine. Projects aimed at downsizing owner-occupiers are doing well. They like the low maintenance and lock-and-leave approach to living. These units are large, prestige and very, very comfortable.

Brisbane is also part of the intergenerational housing movement, with granny flats being a popular option as well. New builds in blue chip suburbs will have young adult children and dependent elders in mind, so housing that offers separate bathrooms for the many residents, as well as multiple living spaces, are becoming common. A great suburb for spotting the growth of intergenerational housing is Sunnybank in our city's south.

Along the same vein is the rise in dual-occupancy design. These layouts have proved highly flexible for a wide range of homeowners and investors. An increase in this type of construction had been noticed in our growth corridors in particular with entire estates devoted to dual occupancy. Here's where we offer a word of caution however – dual occupancy in these outer area estates appeal primarily to investors looking to maximise cash flow. If they become less palatable to investors due to interest rate rises or a fall in local tenant demand, then finding another investor to buy your holding could prove difficult.

As for the future of Brisbane housing, prepare to see a growing number of clever ways to get more for less. We have a very fine crop of world-class architects and designers among our residents and they're always coming up with interesting ways to live in our sunshine city.

Toowoomba

Toowoomba and surrounding suburbs have a very diverse range of housing types to suit a variety of home owners and investors. Typically the more established areas in close proximity to the CBD consist mostly of older character timber and brick dwellings with housing type and design being more recent moving further out from the city centre. There does not appear to be a distinct preference for housing types or areas among home owners with many households having varying requirements and budgets. Older character homes close to the CBD always prove to be popular as do new brick homes in recent sub-divisions. Investors appear to gravitate toward newer housing, predominantly in newer areas at the fringes of the city, seeking lower maintenance and acquisition costs.

In the past five to ten years there has been a substantial increase in unit, townhouse, dual occupancy and small lot housing constructed in the immediate Toowoomba area. Attached housing and detached housing on small lots are tending to grow in popularity with home owners and investors, particularly in the older areas close to the CBD. The dream of having a big back yard appears to be changing. Many infill blocks have been subdivided into smaller lots or have had unit complexes or townhouses built on them. Recent subdivisions have also seen smaller lots come to the market offering anywhere between 180 and 500 square metres. Naturally, compact housing designs have been utilised to maximise the use of the land areas.

Although the unit market is dominated by single residents and renters, the small lot and unit product appears to be gaining interest from all sorts of households including empty nesters looking to downsize, small families and first home buyers seeking affordability. Despite tightened lending criteria and rising living costs making property ownership more difficult, there does not appear to be any significant changes in household composition (eg. accommodating more people under the one roof). This may change over time.

The Toowoomba region also has a strong rural residential market, ranging from acre lots to larger lifestyle properties capable of accommodating horses and cattle. These properties are almost exclusively owner-occupied.

Housing will continue to evolve into the future and we will most likely see a continued interest and supply of smaller housing with what appears to be a slowly changing mindset of larger housing and big back yards. As technologies and efficiencies increase in building products, we will continue to see an evolution in building materials and housing design.

Below are some examples of different styles of housing throughout Toowoomba and surrounding areas.

4 Hamilton Drive Vale View
Source: The home page.com.au

Recent build with modern design and materials. Currently on the market.

86 Bridge Street East Toowoomba
Source: RPData

Circa 1900s build with colonial features sold on 24 February 2017 for $635,000.

19 Carlin Street Glenvale
Source: RPData

Circa 2015 build on small lot with modern features sold on 11 December 2014 as vacant land for $123,500.

Gold Coast

North West Region

In this area we have noticed that housing development for home owners and investors alike is becoming uniform and generic in design. In this region it is very rare to find new houses which are architect designed or unique in any way. Typically in this region we have a mix of rural residential acreage estates and standard residential estates. Without a doubt, over the years residential estates in this region have seen lot sizes become more and more compact reaching sizes we never thought possible.

In recent months we have valued some detached houses on a 170 square metre site which are only 50 millimetres apart as seen in the photo below.

Traditionally the dual occupancy sector of the market was more common in rural residential locations, however in recent years in the region there are a lot more owner-occupiers buying standard residential lots around 800 to 1,000 square metres with an established semi modern or older style dwelling and adding a second fully detached dwelling for family accommodation. There is very little resale data on this property type so it will be interesting to see how they are received by the market.

Investment in this region is showing stronger growth in dual occupancy with a lot more duplex pairs being built. Traditionally, duplex pairs were corner lots of 600 square metres or more and commonly both units would have the same number of bedrooms and bathrooms with double lock-up garages. In recent years we see duplex lots of mostly 400 to 450 square metres with different size units and due to the smaller narrower lots only a single car garage for each unit. These products are very popular with interstate investors who can see the benefit of higher yields compared to a single dwelling at a similar price.

Northern Corridor – East Of M1

The majority of estates in this sector of the Gold Coast have sprung up in the past ten years or so, therefore there is not the depth of history that there is in more established Gold Coast suburbs. However, one consistent theme has been the reduction in size of both allotments and dwellings. While the typical 4-bedroom, 2-bathroom onground dwelling would generally be situated on a 600 to 800 square metre allotment in the early 2000s, block sizes have incrementally reduced in size to the present where below 400 square metre allotments are now the norm. A previously unseen property type, semi-detached dwellings on extra small allotments, has also started to enter the marketplace in certain estates in Pimpama. The below picture depicts a semi-detached 2-bedroom, 2-bathroom dwelling on a 121 square metre allotment. This type of product is constructed on a slab independent of the adjoining allotment and is classified as a single unit dwelling despite appearing to be in a townhouse/duplex configuration. This product type has appealed to both investors and owner-occupiers as it represents an absolute entry level example of a new property priced in the early to mid $300,000s.

Further evolutions in the northern corridor are the trend for townhouse/duplex units to reduce car parking from double lock up garage to single lock up garages. Unit complexes are also seeing reductions in common amenities in order to keep body corporate charges low. Not all the shifts have been negative though, with increases in the standard of finishes to new properties becoming commonplace, for example stone bench tops to bathrooms and kitchens, air-conditioning and recessed lighting.

With construction of the Westfield Coomera Shopping Centre underway, residential density classifications have been changed in the surrounding land holdings to allow for high density developments. After seeing the incorporation of high density apartment units in the areas surrounding Robina Town Centre where single unit dwellings were the dominant property type, it can be hypothesised that a similar evolution will occur in this area of the Gold Coast. The only question will be when the on completion value of such properties will make these higher density developments viable.

Central Gold Coast

Robina has seen a recent boom in new medium density housing developments in the past few years. Typically these are either a townhouse or medium rise apartment building style development proving a mixture of 2- and 3-bedroom accommodation.

The terrace house style developments have a much smaller land area than was common ten years ago. Typical site areas now range from circa 115 up to around 170 square metres per unit.

The quality of fittings has increased with stone bench tops usual and air conditioning to the main living area and master bedroom and high ceilings to the lower level becoming the norm.

These developments typically have no on site manager and minimal common facilities which helps to attract investors by reducing body corporate fees.

The medium rise developments typically have the higher quality fit out but are smaller in living area than was prevalent ten years ago. For example Tower 1 of the Boheme development currently nearing completion provides a 3-bedroom, 2-bathroom unit with 99 square metres of living and a 15 square metre balcony. These new medium rise developments are still providing the usual range of common facilities including on-site manager, secure entry, pool and BBQ facilities.

Conversely, in central Surfers Paradise the recently completed Rhapsody building also has smaller units than was usual ten years ago. One stack in the building is a 29 square metre bedsit style unit with no separate bedroom and no allocated car space. These units are considered to be aimed at the investor market for holiday letting purposes. The building has 176 car spaces to accommodate 223 units.

In the rural residential market large new homes are still being built commonly with living areas ranging from circa 170 square metres up to 280 square metres.

In the more central areas with the stronger housing market we have seen a resurgence of knocking the old dwelling over and rebuilding either a duplex pair or a modern prestige dwelling.

For duplexes, each duplex is often bigger than the demolished original older style dwelling. For example, a new fully detached duplex on a rear lake front parent site in Avanti Street, Mermaid Waters recently sold for $1.3 million. It provides 4-bedrooms plus study, 2-bathrooms and a double garage with high quality fit out, its own plunge pool and good wide water views. The living area is 238 square metres, the garage is 37 square metres and the outdoor area is 32 square metres.

North-West Gold Coast

Traditionally, investors and owner-occupiers have wanted housing of brick/rendered brick construction with tile or colorbond roofing. This has been widely accepted as the norm in these areas. In suburban areas, blocks of at least 600 square metres were considered to be a minimum adequate size allowing installation of pool or shed to the rear yard and room to kick the footy. In the rural suburbs such as Beaudesert, Canungra and Tamborine, demand from owner-occupiers has and generally remains for acreage allotments with these owners preferring to have sheds, pools and stables.

More recently blocks of 350 to 600 square metres have become the norm with residential lots bigger than 600 square metres being considered large and rare. Dwellings on such allotments are being constructed a lot closer to the boundaries which is not deterring purchasers. On smaller lots, more innovative or two storey designs are being utilised to maximise internal accommodation. The preference for new and proximity to parks and amenities seems to be outweighing the traditional need for larger homes on larger allotments. Swimming pools, sheds and sizeable back yards tend not to be front of mind.

Price point and lifestyle considerations seem to be driving demand and acceptance of attached housing. The preference for new or newer product with good common facilities located in well regarded suburbs and close to amenities is evident. Construction includes rendered brick and rendered Hebel. In central locations such as Carrara and Benowa, baby boomers and generation X and Ys are purchasing and renting townhouses and units in order to minimise the maintenance and upkeep associated with a freestanding dwelling while enjoying close proximity to shopping and eateries. Most of these properties have at least one car parking space with larger units providing tandem or side by side configuration parking.

Due to scarcity of land and lifestyle factors, smaller lot and strata living is expected to become more widely accepted in the urban areas. It is noteworthy that the outer regional suburb of Canungra has recently had townhouses constructed which have enjoyed good interest from owners and investors. When designing such product, developers must continue to ensure their product offering exceeds expectation as there are numerous options across the Gold Coast.

Southern Gold Coast/Tweed region

In recent years, the beachside suburbs of Miami, Palm Beach and Burleigh Heads and Burleigh Waters to a lesser extent have seen an increase in knocking down older houses with zoning permitting the construction of duplex units. The product is usually similar in design and layout in the sub million dollar market. The units typically have 3-bedrooms, 2-bathrooms and either a single or 2-car garage or carport.

The above mentioned suburbs have also seen the knocking down of older dwellings on dry or waterfront allotments being built with modern prestige dwellings.

We have noticed in established and new estates in the Tweed region such as Fraser Cove in Banora Point, Seabreeze in Pottsville, Seaside in Kingscliff and Hundred Hills in Murwillumbah all have allotments with a land area of 450 square metres or less. The norm for estates in the Tweed region before circa 2014 was a land area greater then 500 square metres. Dwellings constructed within the above mentioned estates by both owner-occupiers and investors can be similar in design and presentation. The two images below are of two recently constructed houses in the same estate at Pottsville.

Sunshine Coast

As with most areas around the country, the Sunshine Coast has a wide and varied range of property types. From coastal areas to inland townships, from small acreage to large rural parcels, the Sunshine Coast can cater for all tastes. When looking at the changing building styles that have evolved over the years, we have focused on the coastal and railway/ hinterland townships.

The oldest areas of the Sunshine Coast are these railway/hinterland townships located about 15 minutes from the coastline. The main reason they were first settled is because of the access provided by the railway line heading north up the Queensland coast. Dwellings are typically pre and post war dwellings of timber construction which then evolve into the 1950s and 1960s fibro housing that many of us have seen around the country. The 1970s and 1980s gave rise to clay brick dwellings. As these hinterland townships were mostly modest working class centres, dwellings reflected this. It wasn't until the early 1990s that we started to see larger more expensive dwellings of high quality.

The coastal areas of Caloundra, Maroochydore and to a lesser extent Noosa Heads took prevalence in the 1950s and 1960s.

The rise of the holiday house or beach shack saw the Sunshine Coast grow into a favoured holiday destination. Typically of fibro construction, they were modest but they absolutely served their purpose. Mirroring the railway townships, the 1970s and 1980s saw the rise of clay brick dwellings. However, given that access to the coastline had improved, larger, more expansive dwellings were popping up well before the railway/ hinterland townships.

Throughout the 2000s houses definitely evolved into more contemporary designs with the use of architectural materials and design features. Over recent years, small lot housing has grown significantly to help the affordability issues surrounding home ownership. Multi occupancy properties have become increasingly popular with extended families.

The unit market has seen significant evolution as well. Complexes through the 1970s were low rise/ walk up style of up to around three levels. These were typically modest in nature and once again were catering for the holiday market. Through the 1980s and into the 1990s the low rise unit complexes transformed into medium and high rise unit product. They were providing all the services and amenities that you would find in a capital city and in some cases provided a permanent living alternative to a house. This continued throughout the 2000s to where unit complexes were providing high quality accommodation and significant amenities.

As you can see the Sunshine Coast provides a diverse range of property types that caters for everyone. While styles change, one thing remains constant - the Sunshine Coast is a great place to live.

Bundaberg

Bundaberg and coastal surrounds like other neighbouring centres have seen a variety of different dwelling styles over the past decades. The 1970s saw high set hardiplank/brick style to onground brick homes during the 1980s and 1990s.

At present, the conventional brick/rendered home still remains in style due to being reasonably priced and able to individually style carpets, tiles, laminate/ stone, colours etc.

The traditional new brick home is mostly built through local builders and a small number sold as house and land packages. They also appeal to investors as they are low maintenance, in the lower to mid price bracket and offer great tax depreciation opportunities. New stock of this type is typically within the new subdivisions. Lot sizes are on average 600 to 800 square metres.

Hervey Bay

The Fraser Coast has seen a variety of different dwelling styles over the past four decades with predominantly high set, hardiplank/brick style homes in the 1970s through to onground brick homes during the 1980s and 1990s. At present, the conventional brick/rendered home remains the most popular dwelling style due to affordability and personal preference factors. The traditional new brick home (usually sold as a house and land package) appeals to investors as they are low maintenance and generally in the lower to mid price bracket. New stock of this type is typically within the new subdivisions located on the fringe. Lot sizes are now reduced to 300 to 600 square metres with council keen to promote more efficient higher density living. The traditional timber Queenslander is few and far between in Hervey Bay, with this dwelling style dominating nearby Maryborough (known as the Heritage City).

The Fraser Coast Regional Council has been keen to promote smaller lot sizes within older central suburbs and currently has discounted infrastructure charges to support this incentive. Dual living homes have recently been popular with investors, with the dwelling designed with 3-bedroom, 2-bathroom accommodation on one side and an attached 2-bedroom, 1-bathroom unit on the other, each with a single built-in garage. This particular dwelling is useful for large families with older children or parents living in the attached unit. Rental returns have been very attractive, however we are yet to see a resale of this type of dwelling.

Emerald

Emerald's traditional housing styles are Queenslanders and worker's cottages. The largest growth period came in the late 1970s through to the early 1990s when mining companies built thousands of high-set 3-bedroom homes and slab on ground 4-bedroom homes. The prominent part of each property in Emerald is the size of the land. Emerald has not taken to smaller lots under 600 square metres and in general has been prepared to pay a premium for lot sizes above 900 square metres. Most like room for a shed or pool and it's just become the normal part of any new subdivision in Emerald to have generous sized lots. Nearly all new housing is a slab on ground 4-bedroom, 2-bathroom brick home.

Rockhampton and Gladstone

The evolution of residential housing in both Gladstone and Rockhampton has been gradual as technology and trends have shaped the way we live. The earlier suburbs in both towns were dominated by Queenslander style homes and worker's cottages. As newer suburbs emerged in the 1970s and 1980s, it was the project high set or two-storey home predominantly being constructed, and more recently, suburbs are largely slab on ground brick veneer homes. Walking through a Queenslander or worker's cottage, it's immediately noticeable that the layout is significantly different from modern housing, with the older style homes heavily compartmentalised, which is in stark contrast to the modern open plan homes of today. Various suburbs are dominated with certain styles of home and depending on the buyer's preference for the style of the home, it can often determine where they live. Finding old Queenslanders in the newer suburbs of Norman Gardens in Rockhampton and Kirkwood in Gladstone is very difficult, but on The Range and Gladstone Central they are plentiful.

The size of the land also varies depending on where and when the land was developed. The more sought after areas in the older suburbs were predominantly owned by wealthier owners who could afford larger parcels of land, however the worker's cottages typically had smaller parcels of land. As both towns have developed, the size of the home and land has been reflective of the economy at that time. Prosperous times have resulted in larger homes and conservative periods smaller homes.

Furthermore, in areas where homes were constructed for investors, dwelling sizes and lot sizes are smaller than those built for owner-occupiers.

There has been a consistent theme however, that the further away from the city people have to live, they either want to be compensated by the size of the land, the price or sometimes both. Abnormally small allotments in the outer lying areas have been trialed in the past, with limited demand from local residents. Those seeking smaller allotments have typically tended towards the inner city.

As the population of Gladstone and Rockhampton increases, so too will the rise in apartment living. The earlier high rise units in Rockhampton's CBD were predominantly created for retirees or grazing families, however during the mining boom a number of smaller 1-bedroom or dual key units targeted at investors were constructed. The target market has now gone the full cycle, with new units currently being constructed reverting back to the target market of owner-occupiers with predominantly 2- plus bedrooms of a larger size. Gladstone has differed somewhat to Rockhampton in this regard, as most of the units were predominantly constructed during the resources boom and targeted at investors with both short term and long term accommodation.

In the foreseeable future, families won't be moving into units as the allure of space and the price of detached housing remains relatively affordable. Housing in Gladstone and Rockhampton has changed over time, however economic, environmental, technological and social factors will shape the homes of tomorrow.

Mackay

Mackay was founded in 1869 and therefore has a mix of housing styles from Queenslanders right through to modern housing.

Some of Mackay's housing was destroyed by natural disasters, however Queenslanders and cottages still stand today. As time evolved, housing followed suit alongside regulations, with roof heights lowering through the times and building standards also evolving to withstand local weather events such as cyclones. The different ages and change in housing can be spotted between suburbs, from Queenslanders and cottages, to 1960 to 1980 high set butterbox houses and then to modern homes, generally on-ground rendered block dwellings. It's unforeseen that building materials will change in the immediate future due to the local weather conditions and events.

During the infamous mining boom time, there was a call for more housing due to a shortage and as a result cheaper housing developments were approved, which meant smaller blocks and dwellings were built very close, if not on the adjoining boundaries. Some may argue these developments were approved too late as shortly after, the down turn occurred, with sales activity in the smaller block developments now very limited.

Alternatively, sales activity has increased within the suburbs that have the average back yard with some purchasers seeking Queenslanders or butterboxes and others seeking to build new modern dwellings. All in all, there is a variety of housing to suit everyone's needs, from older to newer dwellings from the coastline to the bushland.

Whitsunday

The Whitsundays was a small seaside community, however with the growth of tourism, saw unit developments in the late 1980s and early 1990s. In the early 2000s however all markets in the Whitsundays suffered with the global financial crisis. There is the urban sprawl with the construction of slab on ground dwelling located in the suburbs of Cannonvale, Cannon Valley and Jubilee pocket. There are also numerous pole and high set dwellings located on steep sloping lots to take advantage of the ocean and island views. So all in all we have many different styles of dwellings and units that all depend on the individual at the time.

The Whitsundays is still in construction mode as works begin and some are finalised as we start to move past the devastation caused by Tropical Cyclone Debbie.

Townsville

Over the past 15 years the average land size in Townsville has declined by around 30% from 719 square metres in 2002 to the current lot size of 508 square metres. This decline in land size has been driven by a number of factors including lifestyle as consumers want smaller lots requiring less yard maintenance and the ability to offer competitively priced products.

We have seen in the suburban developments, particularly over the past five years the return of smaller homes with single garages on lot sizes, some under 200 square metres. This product is price point appealing, particularly to first home buyers and investors with entry starting well under $300,000 for a new 3-bedroom home with a single garage.

Within the fringing inner city there are two small lot developments, having a combined overall median lot size to date of 250 square metres. These developments offer an alternative to unit living with a small yard area for pets, while still being in close proximity to The Strand and entertainment precincts. Housing design for small lot construction has evolved from the early 2000s when we saw the construction of town cottage style dwellings on these smaller lots, to now include a mix of more innovative design ideas.

Energy efficient building products have been around for a number of years now and many homes in the Townsville area have solar panels and other energy efficient technology. With the rollout of the NBN, the ongoing push for improving energy consumption and the ongoing water shortages currently being experienced in Townsville, we may over the coming years see a further push for improving efficiencies in the home.

Cairns

The traditional housing style in Cairns has always been the Queenslander dwelling built on a quarter acre (1,000 square metre) block. These were typically high set for the extra ventilation and were essentially timber dwellings.

All that started to change around the 1970s with a move to slab-on-ground masonry block construction. Though driven by lower cost construction, these dwellings also had the advantage of improved cyclone resistance, however at the expense of reduced ventilation. Despite the hot tropical climate, air conditioning was a complete rarity in the mainstream Cairns market right through to the 1990s, but now, integrated air con is an essential component of all newly constructed houses across all levels of the market.

The trend these days is for bigger and bigger houses on smaller and smaller blocks. Sub 600 square metre block sizes were unheard of prior to the mid 1990s, but have progressively become part of the urban landscape over the past 20 years. The average new estate block size in Cairns is now down to around 670 square metres.

Recent years have seen significant restoration and renovation of original Queenslanders as well as the emergence of some replica Queenslanders in the original Queenslander precincts. However outer suburbs are almost exclusively low set masonry block housing.

One issue for the future of housing in Cairns will be population ageing. Cairns used to be a location that people retired away from, but is now attracting more and more people who are ageing in place. The double whammy of there being more aged persons in Cairns as the baby boomers hit retirement age, together with an increasing propensity for these people to remain in Cairns rather than retire away, will be a big influence on new housing provision composition and style in future years.

South Australia

Adelaide

The traditional style of housing appealing to both home owner and investors within Adelaide has typically been detached dwellings. Townhouses and units within close proximity to the CBD (particularly along the fringe) are also appealing. Character style dwellings that have been renovated are typically well received by the Adelaide market, particularly in suburbs close to the CBD.

Many home buyers who are upgrading to larger family homes are seeking large dwellings where everything is done. A recent example of this is an appealing character dwelling which has recently sold in the southern suburb of Millswood. It is situated within four kilometres of the CBD in an area well serviced by local facilities and transport. The property was featured in The Advertiser and was sold within one week. The property was well presented and provides appealing accommodation throughout. The selling agent for the property indicated that there was a high level of interest in the listing and that the property appealed as everything was done. *(Source: Adelaide now)*

Many council areas within Adelaide have undergone zoning changes in recent times. This is encouraging higher density in-fill development in many areas. Smaller projects involve the demolition of an older style dwelling and construction of at least two courtyard style dwellings on the site. There is increasing developer activity in areas where higher density developments are being approved. Suburbs such as Magill, Tranmere and Prospect are experiencing good demand from developers as a result. There are increasing numbers of dwellings being constructed on smaller allotments which will eventually change how many residents live in these areas.

The majority of larger households in Adelaide are still not very accepting of unit living. It is typically still the domain of smaller households and renters. Given the increased developer activity in many suburbs around Adelaide, this may one day begin to change, but it is not something that will occur in the short term.

In Adelaide, many householders constructing on smaller allotments are still building substantial dwellings. They are seeking lower maintenance allotments but still want large living areas and space to entertain. The average allotment size in Adelaide continues to decrease to counteract the already far reaching urban sprawl. Although there will be smaller properties built by investors for rental accommodation, households with families will

Source: realestate.com.au

continue to seek larger accommodation. This will be a continual balancing act for local councils and developers in the market place.

Mount Gambier

Mount Gambier's traditional typical housing style has slowly evolved over time, from standard austerity style dwellings with limestone external and internal walls on a limestone foundation to a more modern style dwelling with limestone or brick external walls with plasterboard internal walls on a concrete slab foundation on a generous size allotment of 600 to 1,000 square metres.

Currently, the traditional house being constructed in the market comprises a modern facade with an internal layout of 3- to 4-bedrooms, 2-bathrooms and a double garage under the main roof. Externally a rear alfresco or pergola will feature.

Most housing being constructed is on the outer edge of the township which was traditionally farming land. As vacant land located centrally is limited, development has pushed towards the outer edges of the township where there is a large supply of land.

Photo of a traditional style Mount Gambier limestone dwelling Circa 1950s

Photo of a recently constructed modern dwelling

Design of housing over the past ten years has not changed dramatically. Different building materials are being used which can decrease or increase construction costs. New housing is also pushing for a more energy efficient dwelling. Use of energy efficient housing materials has increased over the past ten years, however the dwelling style, features and allotment size are still relatively similar. Inner city living has seen larger allotments subdivided to create smaller allotments for unit style living. This is due to limited vacant land being available and demand for central locations.

Given the oversupply of vacant land in the region, attached housing/townhouse living has not been widely sought after for larger households. Most families are still sourcing vacant land of around 800 square metres to build their family home. Apartment style living has been tested with the redevelopment of the old Mount Gambier Hospital, however demand was weak for this property type seeing extended marketing periods to achieve a sale. Unit style living has tended to be sought after by single occupants, couples or retirees.

The future of the housing market in the Mount Gambier area is likely to continue at its current steady pace. Further job creation and population growth will be required to see dramatic changes to the housing market.

Tasmania

Tasmania has Australia's second and third oldest cities and as such there are many historic properties. Many of these are well known tourist destinations with World Heritage listed Port Arthur topping the list. Woolmers Estate, Brickendon and Franklin House are National Trust properties open to the public. The varying architectural styles that can be found in the population centres include art deco, Federation, inter War old English arts and crafts, late Victorian gothic, Victorian Italianate terraces, Georgian Greek revival and Georgian cottages. Not all of the historic homes are of grand proportions as shown in the below picture of a Georgian cottage.

Late Victorian Gothic Circa 1880

Georgian Residence Circa 1840

Georgian Cottage Pre 1835

Many Tasmanians are lucky enough to own and live in some of these historic residences. As you would expect, the majority of these homes are located in the inner, higher priced suburbs with others on rural properties, once grand rural homesteads. In more recent times as the residential property market has stabilised after experiencing historic lows we are seeing some historic homes being updated or extended to suit contemporary lifestyles.

Modern open plan extensions are being blended with character homes to increase not only their size and functionality but also exploit features such as views that were either considered less important or constrained by building techniques and materials in the era when the original home was constructed.

Period home with modern, glazed extension

More recently there have been instances where properties in prime locations have been viewed as being more valuable without their older existing home, that is, as a vacant block. As a result of this and the disparity between build costs for new homes compared to renovations or extensions, some homes rather than being extended and renovated are being demolished and replaced with new.

Original home demolished and new home under construction overlooking city

A notable sale of Sentosa occurred earlier this year in Sandy Bay for $6.5 million. The property sits on 2,309 square metres of land and is a renovated, circa 1917 home situated on Blinking Billy Point with Derwent River front reserve. The historic 527 square metre home has 4-bedrooms, 4-bathrooms and an indoor pool.

In Northern Tasmania In March this year, a renovated 1880s, 5-bedroom, 2-bathroom residence centrally located in Launceston on a 1,366 square metre block with city and Tamar Valley views sold for $1.475 million. The property has many period features and a croquet lawn.

Northern Territory

Darwin

Traditional older style properties in Darwin have not fared well throughout recent history, facing two major destructive events last century. Firstly, the bombing of Darwin by the Japanese in World War 2 dramatically changed the landscape of Territory properties and secondly, Cyclone Tracy 32 years later practically levelled most structures.

Some of the traditional and considered iconic properties that did remain include the older, elevated style dwellings which can be found in Larrakeyah, Ludmilla, Fannie Bay, Stuart Park and Parap.

This inner city belt is popular with both owner-occupiers and renters alike, being ideally positioned close to shopping facilities and the Darwin CBD. Dwellings of this type in this segment start from $700,000 and generally have large allotment sizes starting from 800 square metres. Substantial land values are the main value component in this area. Most of these dwellings were constructed in the 1960s, which is noted for Darwin's rebuild and subsequent expansion in a post-World War 2 era. This type of property is distinguished by being built on stilts (masonry or metal), cross-ventilation cooling, banks of louvred windows and usually a large balcony. Tropical living is a desired aspect of the living in the Territory and elevated properties facilitate this quite effectively.

When mentioning classic dwellings in Darwin, we have to include the large scale ex-government housing from the late 1970s and early 1980s which are predominantly found in the northern suburbs. This type of dwelling is generally a detached, ground level, 3-bedroom, 1-bathroom dwelling of brick construction or an elevated, 3-bedroom, 1-bathroom metal clad dwelling on an 800 square metre block. They make up a significant proportion of the second hand stock which is majority owner-occupied. On average, an ex-Government house in this area will range from the low $400,000s to mid $500,000s depending on renovations.

Inner city locations closer to the CBD and the CBD itself have seen a significant change over the years following Cyclone Tracy, mainly in terms of higher density living. Driven by the booming Darwin economy on the back of large gas projects, 2006 brought with it a substantial increase in units and townhouses offering a lower price point for those trying to enter the property market. A 2-bedroom, 1-bathroom attached unit in this area can range from $250,000 to $300,000 and a 3-bedroom unit from as low as $300,000. Currently this segment is experiencing a noticeable downturn, with a large over-supply for inner city units on the back of substantial unit construction in 2012 to 2014 flooding the market. Investors have some reason to remain positive, with rental yields remaining relatively stable at 4% for units and 4.7% for dwellings.

Changes outside the inner city area can be identified predominantly in the newer master planned subdivisions of Muirhead, Lyons and further afield in the satellite city of Palmerston. These newer areas feature rendered core filled dwellings on smaller allotments, with covenants in place to increase the overall amenity and homogeneity of the suburb. These types of dwellings are considered to have a higher energy efficiency rating, with superior insulation and are comparably cheaper to build than more traditional style dwellings. The Muirhead development is in its final stages of land release, with 490 square metre allotments currently starting from $295,000. Many of these dwellings are sold with Defence Housing long term leases in place, exhibiting rental yields of approximately 6% and are therefore considered quite attractive for investors.

The other major land release in the Palmerston region is the suburb of Zuccoli. Allotments can be purchased from $100,000 for 300 square metres and all dwellings built must abide by the covenants set out by the developer. This segment is popular with first home owners looking to enter the market, taking advantage of government incentives in the form of stamp duty concessions. New shopping developments including the Gateway Shopping Centre in Palmerston and Coolalinga Shopping Centre provide this area with adequate shopping facilities.

The latest land release announced in 2017 is the Northcrest subdivision, located 13 kilometres from the Darwin CBD in what was originally the Berrimah Farm site. This new suburb is currently in the civil works phase, with an expected life of the project ranging from 13 to 15 years based on demand. Allotments on 405 square metre can be purchased from $225,000, ranging to allotments in the high 700 square metre range for almost $400,000. These modern subdivisions are a good example of how the Territory market has moved from a traditional suburb with larger allotments to higher density, homogenous style living.

Western Australia

Perth

Like most markets throughout Australia, the Perth residential market has been through a period of changes, some of which have been led by market conditions, but others which have been led by innovation and maturity of the market place itself.

Inner and near city apartments are a classic example. Through 2008 to 2015, many of the products available were at the cheaper end of the scale, with investors and sometimes first home buyers the focus of developers, and as such, the products offered were often of a basic quality and design. The products offered were a large barrier to establishing a genuine, permanent inner city population, however that trend has slowly evolved. What many developers failed to realise was that there is a large, ageing population residing in near CBD locations such as Mount Lawley who are looking for opportunities to downsize without compromising on quality. Several new complexes have been left short of larger 3-bedroom 2-bathroom apartments, while suffering an oversupply of 1- and 2-bedroom designs. While these developments were actively targeting owner-occupiers, they appear to have misinterpreted the interest and price willingness of buyers looking for downsizing options.

The next metamorphic stage that has occurred within the Perth residential market is the uptake of granny flats and multi generational homes. A relaxing of the restrictions attached to the occupation of granny flats in recent years has seen a surge in demand. This was exacerbated when the Perth rental market was extremely tight, however demand remains strong as investors look to boost the return on their investment. Where once upon a time we would come across a granny flat every now and then, they are now quite common and feature two distinct types – freestanding, independent structures and those that are integrated into the main residence. Of the latter type, there are again variations – those that are made to be independently occupied with separate access and those that have the ability to operate as a single residence but with separate family spaces with two kitchens, separate and shared living spaces etc. These types of dwellings are becoming more common in sought after new estates, as parents and children combine their spending ability and plan for the years ahead. Whilst these are built to suit personal circumstances, consideration should be given to the additional cost of such an undertaking in comparison to market demand and value, with the potential of longer selling periods being required should circumstances change and the property be offered for sale.

One thing that hasn't changed in recent times is the demand for traditional house and land, particularly in the first home buyer market. Shiny and new appears to capture a large proportion of first home buyers, even though the current market is offering entry into highly sought after locations for comparable prices. Buyers remain tempted by significant and ever increasing incentives to purchase land and build their first home – often over 30 kilometres from the CBD – even though recent evidence in many estates indicates values rapidly decline once the home is occupied.

Similarly, the market remains entrenched with the idea that quality means double brick construction, with anything less seen as inferior, within suburbia anyway.

Residents in hill side suburbs commonly see through this and pay a premium for framed construction, but coastal plain suburbia is a hard judge of anything not double brick. Many builders have attempted to change this perception, via educating the market on the strength of framed construction, including the fact that the vast majority of dwellings in cyclone prone areas within Western Australia are almost all built with framed construction methodology, however the large challenge in the metropolitan area has been in setting a price differential without linking such to a reduction in the quality expectation. The lack of skilled trades for framed construction within the metro area also limits the cost effectiveness achieved in other capital cities, where anything but framed construction is considered unusual.

One of the largest benefits of framed construction however, comes from the relative ease of floor plan transformation in comparison to a double brick dwelling, which leads to a residence being more able to be adapted to suit changes in individual circumstances without having to pack, move and pay another round of stamp duty. Such consideration should be given by the market place, but isn't at this stage.

South West WA

The South West has historically comprised a range of styles and standard of homes with many unique and sometimes very basic holiday homes particularly along the coast. There are a smattering of older character homes closer to the town centre however the major style of development tended to be 1980s and 1990s brick homes with a mixture of 3-bedroom, 1-bathroom homes and 4-bedroom, 2-bathroom homes in the localities surrounding the major towns. The early 2000s saw a surge in the number of individually designed executive standard homes either situated close to the coast and with ocean views in areas such as Gnarabup, Dunsborough, Eagle Bay and Yallingup Hill or on rural residential lots ranging from one to three hectares. These executive standard homes continue to be constructed in these areas however at a much lower rate.

Over the past decade the South West region has seen a significant expansion in large scale residential subdivisions on the periphery of the major centres in particular: Treendale, Millbridge and Dalyellup around Bunbury; Vasse Newton and Provence around Busselton; Dunsborough Lakes in Dunsborough; and Brookfield in Margaret River. The majority of homes being constructed in these new subdivisions comprise brick and iron project homes generally 4-bedroom and 2-bathroom between 170 and 220 square metres in size on a 500 to 600 square metre block. These homes have now taken over as the majority house style. While the standard and fitout can range significantly between project builds there tends to be a similarity in design and style.

There are very few unit developments in the region however a burgeoning trend has been for 3-bedroom 2-bathroom homes on cottage blocks within these subdivisions for lock and leave occupants.

We have observed an increase in the number of small individual builders in the region offering more unique styles which provide some individuality and offer an alternative to project building. These often tend to be environmentally sensitive, energy efficient builders. We have recently seen the first construction of a Hemp built home in Western Australia (see photo). Could this be a sign of future development in the region? The homes offer a more energy efficient, environmentally friendly and unique style of property which stands out from the crowd. Time will tell.

Rural

HERRON
TODD
WHITE
RURAL

Southern Queensland

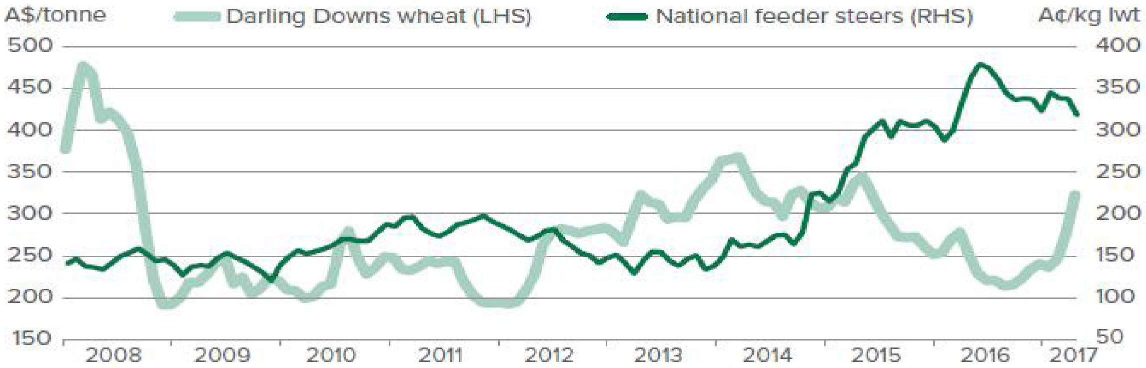
By now some early spring storms should have passed through but here we are in the middle of September and still no sign. Any rain received now will more than likely be of no benefit to winter crops and may hinder any producers who are in a position to harvest, especially those with any early crops. Travelling throughout the Downs over the course of the past two to three weeks, I was quite surprised at the amount of crop that was a) actually planted and b) still struggling on. Crop conditions certainly improve the further west you go and it has become obvious that the tail of Cyclone Debbie which extended to the inner west through the Meandarra/Inglestone/Moonie regions provided a great deal of benefit back in March. That event effectively topped up the moisture profile in the region thus guaranteeing a winter plant. However it has all but remained dry since with very little in crop rain received over the course of the past three months. Some crops sighted appeared in good condition with very little stress evident and while there is every possibility that some commercial returns will be evident, the overall tonnage will be way down.

The big dry has placed huge pressure on the feedlot game. With an all-time record of almost 1,100,000 cattle currently on feed (86% of national capacity) including 57.5% of those in Queensland (90% of Queensland capacity), the price of feedstocks are on the way up as evidenced by the below graph. Whilst this will provide opportunities for Southern Australia to tap into expected shortfalls in the north, freight will form a big component of the cost. Those operators with long forward feed orders will be insulated to a degree but it is expected to hit home with smaller custom feeders and short term operators. Adding to this volatility, the opportunity for sorghum is both very uncertain and a long way off. Southern Queensland and northern New South Wales need a big break now.

We have previously alluded to the strengthening irrigation market in Southern Queensland with a rush of sales evident over the course of the past few months. Recent local sales that we can now report include:

- Bandawing: A 760 hectare holding near Bowenville sold for $8.025 million to NAPCO. The holding adjoins the Wainui Aggregation to its south-west and will be a great add on. It contains some 310 hectares of developed flood and 84 hectares of pivot irrigation underpinned by a good mix of viable water rights. The sale price appears to be generally in line with other recent purchases.

Figure 4: Feed grain and feeder steer prices



Source: MLA Lot Feeding Brief August 2017

- Campbells: a 937 hectare holding at Tummaville recently sold for $12 million to Chinese interests with other holdings in the general region. The holding is developed with 430 hectares of spray irrigation and a further 170 hectares of flood irrigation, again underpinned by a viable mix of water rights. This sale can best be described as fully firm especially given that some months ago when it first came onto the market, the general expectation was somewhat less. We also understand that the same interests have acquired other holdings in the region, but we are not in a position to confirm this.

There are still more unconfirmed sales in the region that are yet to filter through and will be reported on in future, however it is like a light bulb has just been switched on. The attraction to the Inner Downs in our opinion appears to be that they just don't make any more of this country and we need to get a foothold. We expect that this will be the driver of further sales in the following months.

Contact:
Douglas Knight - ph: 07 4639 600

Western Victoria and South Australia

Rural market activity continues to display strong confidence in western Victoria and south east South Australia with buoyant prices continuing to be paid in nearly all commodities with the exception of dairy and poultry, which remain slow following the milk price cuts and retreat of Baiada from Victoria in 2016.

Dairy farmers remain cautious in their operational management and are seldom looking to expand their land holding in southern Australia despite some farmers maintaining reasonable returns. This sector remains largely reliant on improved international terms of trade and seasonal conditions.

In the cropping sector, the Wimmera and Mallee regions of Victoria appear to be set for another good season following good winter rains and a cool growing season. The presence of canola flower is currently abundant as farmers prepare for windrowing and harvest. Frost damage remains a risk and murmurs of some damage through the Mallee is evident. Mice are likely to again be a problem for farmers this harvest. Traditional higher rainfall areas such as the south-east of South Australia and the western districts of Victoria in some areas have suffered from water logging but will likely still experience a good season. Strong prices continue to be paid in both the corporate and private sectors for cropping country, with Warakirri Asset Management recently purchasing approximately 8,000 hectares near Boort in an off market transaction and the most recent sale of cropping land around Horsham showing just under $10,000 per hectare improved for a smaller add on block. Two assets of note on the market at present are the Hassad cropping assets on the Yorke Peninsula and Eyre Peninsula in South Australia with an expected combined value of circa $70 million. These assets in addition to Raby Station in NSW, follow Hassad's recent sales of Clover Downs and Kaladbro Station.

The grazing sector continues to perform strongly on the back of maintained strong lamb and wool prices, despite the drop in beef price from circa 650 cents per kilogram carcase weight in June 2017 to today's price of 515 cents per kilo. Graziers remain largely in expansion mode with demand currently outstripping supply of quality grazing land in most areas. Some sales such as a few around Penola and Robe in the south-east of South Australia are displaying a circa 30% increase from prices paid 12 months previously.

The sleeper sector appears to be viticulture which has largely flown under the radar for the past 12 months despite improving prices and increased demand. The sector has largely been overshadowed by the hype of demand for other horticulture assets such as table grapes, almonds, citrus and avocados in warmer climate regions such as the Sunraysia and Riverina. Recent sales in the cool climate South Australian regions of Coonawarra and Barossa, Tasmania's Tamar Valley and Victoria's Pyrenees regions are continuing to display varying levels of improvement in value for quality wine grape plantings with some vineyards displaying 30%

plus increases in value in the past 12 months. This remains a sector to watch over the next 12 months as corporate buyers shift their focus.

Contact:
Angus Shaw - ph: 03 5332 7181

Echuca

Rental yields across the local market vary markedly depending on the motivation of the landlord. Many handshake agreements are between older farmers looking to gradually wind down and depending on the relationship with the tenant they may be happy to let the property at an amount that essentially covers the cost of the property (for smaller sized or unusual parcels) on the basis that the tenant is maintaining things such as weeds, applying fertiliser and ensuring that the property is being run in line with district best practice.

In areas where land is scarce there tends to be stronger competition and this can result in higher prices being paid, although interestingly the rental might be offered to a neighbour with whom the landlord enjoys a good relationship in favour of higher rental from a neighbour they despise.

Contact:
David Leeds - ph: 03 5480 2601

Mildura

With new investors on the agri sector the market has seen an increase in leasing activity across many commodity classes. This month the team has been challenged to review their local market and provide a snapshot of what is occurring, rates of returns, terms evident, and drivers of the sector whether sale and lease back or buy to lease. We have also seen renewable energy projects very active across many parts of the country and what impact this is having on the rural lease market.

There is currently strong demand for horticultural assets from both local and international corporate buyers. These buyers have a sense that the current strong returns being generated from key Asian export markets to Asia will be ongoing and are also attracted to our stable political climate. A number of these transactions have involved lease back agreements, with the vendors keen to capitalise on the improved land values and the purchasers more interested in getting a consistent return and not having to worry about the production risk.

The resulting yields for horticultural assets have mostly shown around 8.5%, with some as low as 6.5% and some above 10%. Given that these are intensively managed operations, involving permanent plantings with sophisticated irrigation systems, we would expect yields to normally sit above 8%.

To date, leasing evidence for horticultural properties has only involved large enterprise properties (greater than say 200 hectares of plantings). The smaller end of the scale is still dominated by family run businesses and these owners are reluctant to trust the management of their properties to a lessee.

Leasing of smaller dryland properties is much more common. The main driver of this is the ageing nature of the farming base, coupled with the trend to move to continuous cropping. Many older farmers are not prepared to justify the cost of buying the specialised seeding and spraying equipment required for this type of farming operation and so choose to lease out the farm.

Younger farmers are more prepared to take on the risk of buying better equipment and crop larger areas, but as a result cannot afford to buy additional land. Leasing of additional land has become popular as a result. Typical lease agreements in the Mallee region of north-western Victoria involve five year terms and commencing rents of around $75 per hectare to around $100 per hectare, which shows a yield of around 5% to 6%. We expect this trend to continue to grow.

One of the more interesting recent developments is the growth in demand to lease arable land from companies wishing to establish large scale, flat plate solar farms. To be attractive, sites must be relatively level and be sited within close proximity to a high voltage power line. There have been multiple sites in north-western Victoria and south-western NSW selected by these companies. While it is not yet clear how many of these will proceed, they all appear to be offering very attractive long term leases, usually of around 30 years, at rents which are well above levels on offer from more traditional farming tenants.

It will be interesting to see how the market in the renewable energy sector evolves. In some ways it would seem more logical for the solar proponents to simply buy their sites, however this has not been seen to any great extent yet. We expect that there would be strong buyer interest in a securely leased solar farm site, given the strong rents and long lease terms currently being offered.

Contact:
Shane Noonan - ph: 03 5021 0455

Country NSW

Market conditions are still strong in central and western NSW despite the prolonged dry weather event currently in place, resulting in winter crop non plant and crop failures across the north. The line is apparent from Parkes south, progressively getting better the further south you go, whilst the north of the state ranges from marginal to zero crop and limited stock feed options.

On a positive note, the final tranche of the Cobbora Holding Company (CHC) property auctions was held on Thursday, 14 September 2017 with a full clearance. The market was strong with well above expected results achieved on the offered properties. The recent auction catalogue and final offering generated $10.9 million, a further sign of the underlying strength of the rural property market at present. The entire sell down of the project has now realised a total of $70.8 million for the NSW State Government.

Several recent sales we are aware of:

Curraweela, Taralga - sold at auction in Goulburn by Elders Real Estate on 18 August 2017 for $1.238 million. Curraweela is a 441 hectare part open cleared part (say 60%) dense recreational timbered property located 18 kilometres north of Taralga. Our analysis of this sale indicates $5,250 per hectare for the better open arable basalt third of the property.

The Bridge, Borenore - sold at auction in Orange on 30 June 2017 for $7.8 million. The auction was very well attended and included a number of active bidders. The Bridge is a productive 613 hectare grazing property located 18 kilometres west of Orange. The property features a substantial architecturally designed 5-bedroom dwelling (approximately 557 square metres) with extensive established gardens including a solar heated pool and a tennis court. This sale highlights the current strength in the market for such properties. It is also a reflection of the depth in this market.

The small farm / rural lifestyle market remains strong for well located properties with good lifestyle appeal. This is demonstrated by the sale of the 98.63 hectare Applegrove, Duckmaloi Road, Oberon, selling on 18 August 2017 for $1.16 million. Building improvements are limited to a basic set of cattle yards and machinery, with the sale analysing to a land value of $1.135 million. This market class is also currently very active in some places.

The recreational market for dense native timbered bush blocks across the Central Tablelands continues to track in that general value band of $275,000 to $400,000. We understand that the large recreational block Abarella, Burraga is under offer for $380,000. This is a relatively remote dense timbered recreational block with long frontages to both the Abercrombie River and Isabella River.

A recent re-sale that demonstrates the strengthening market is Wingarra, Bylong - a productive 910 hectare mixed farming property located in the Bylong Valley with some pivot irrigation and water licence, sold on 12 January 2017 for a consideration of $4.5 million. Wingarra previously sold for $4.175 million in September 2014.

Contact:
Angus Ross - ph: 0427 235 600
Craig Johnstone - ph: 0477 800 004

Northern Territory / Kimberley

Our recent conversations with a range of pastoral industry stakeholders including estate agents, property owners, potential investors and financiers, indicate a general consensus that the market for pastoral land in the Northern Territory and Kimberley must be approaching somewhere close to midnight on the property clock. Nearly every sale we've analysed over the past 36 months has shown value levels higher than the previous sale, but when will be see the inevitable fall in sale price? At some stage market sentiment is expected to become more cognisant of a market, the prime commodity of which has been gradually falling in value (EYCI down from $665 c/kg in April to 515 c/kg today or down from 717 c/kg same time last year; live export steers ex Darwin down from 380 c/kg in February to 320 c/kg today or from 350 c/kg same time last year). However, a recent visit to the Alice Springs region to analyse some cattle station sales has demonstrated to us that, at least over the past three months, we aren't seeing things slow down – yet. Sentiment remains strong.

The $13 million (WIWO) sale of Coniston Station, 285 kilometres north-west of Alice Springs on the southern fringe of the Tanami Desert has recently settled. The 2,170 square kilometre perpetual pastoral leasehold property sold to its well established pastoral neighbours with around 5,000 plus head mixed herd (Droughtmaster and Droughtmaster cross) and basic P&E. The motivation for the acquisition appears to have been improving efficiencies through increasing scale and there was also the opportunity to further improve the property (more water points, upgrading infrastructure etc).

The sale reflects the synergies achievable to the neighbouring owner. It is the most recent sale in the region and a leading one at that and also shows once again that the Alice Springs region remains as tightly held as ever. There was reportedly good interest at the auction and the under-bidder was reportedly also within range of the end sale price. Coniston follows on from the sale back in June of Napperby (which adjoins Coniston to the south) and which sold WIWO for $20 million to the vendor of Ambalindum and Numery.

Despite the weaker EYCI and live export prices, pastoral property values appear to be at top end of current market expectations. Typically we have seen a fair correlation between price of cattle and property values and despite the commentary above being a little contradictory to this, it is the general sentiment conveyed to us from the pastoral industry that as margins erode, then so too will profitability. However, the anticipated downward cycle is based on the assumption that market participants remain fully informed, but as shown many times over the past decade, this is a factor which cannot always be assumed. Buyer profile is an important consideration in the analysis of market activity, particularly one in which foreign investors (often with end commodity markets potentially far more profitable than prevailing traditional commodity markets) are such active market participants.

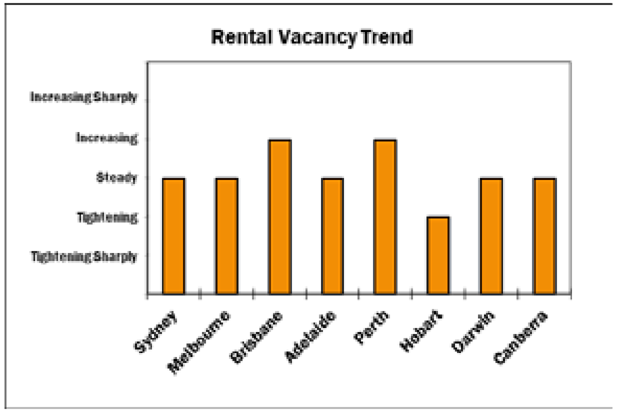
Contact:
Frank Peacocke - ph: 08 9841 4833

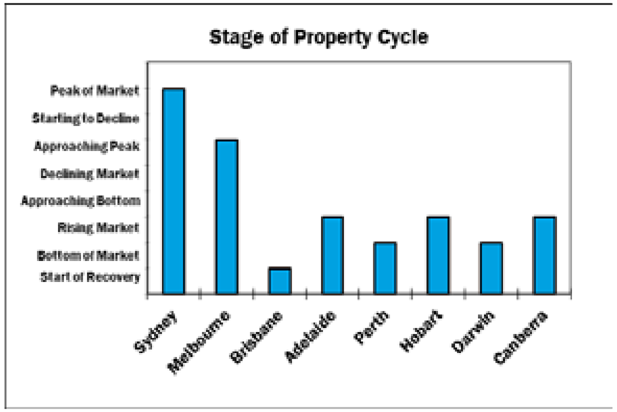
Property Market Indicators

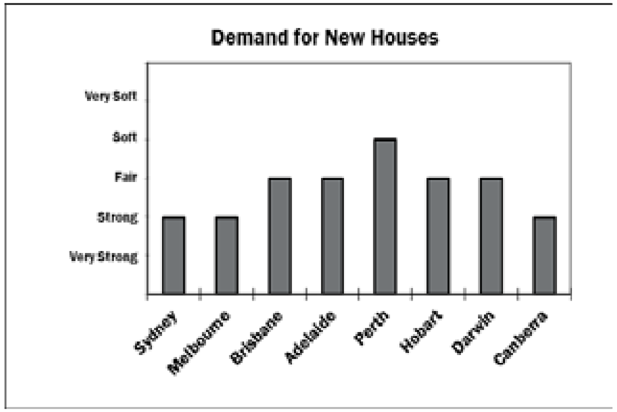
Capital City Property Market Indicators - Houses

Factor	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart	Darwin	Canberra
Rental Vacancy Situation	Balanced market	Shortage of available property relative to demand - Balanced market	Over-supply of available property relative to demand	Balanced market	Over-supply of available property relative to demand	Balanced market	Over-supply of available property relative to demand	Balanced market
Rental Vacancy Trend	Steady	Steady	Increasing	Steady	Increasing	Tightening	Steady	Steady
Demand for New Houses	Strong	Strong	Fair	Fair	Soft	Fair	Fair	Strong
Trend in New House Construction	Steady	Steady	Increasing	Increasing	Declining	Declining	Declining	Increasing
Volume of House Sales	Steady	Steady	Steady	Steady	Steady	Steady	Steady	Steady
Stage of Property Cycle	Peak of market	Approaching peak of market	Start of recovery	Rising market	Bottom of market	Rising market	Bottom of market	Rising market
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Almost never	Occasionally	Occasionally	Occasionally	Occasionally	Almost never	Occasionally	Occasionally

Red entries indicate change from previous month to a higher risk-rating *Blue entries indicate change from previous month to a lower risk-rating*







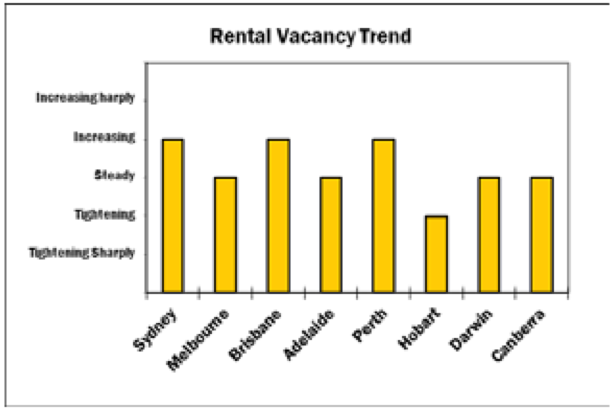
Market Indicators

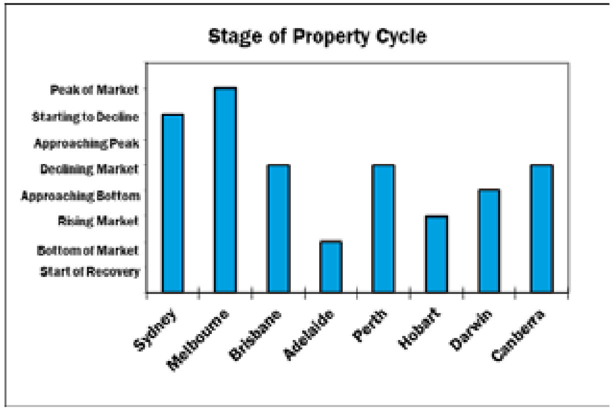
Capital City Property Market Indicators - Units

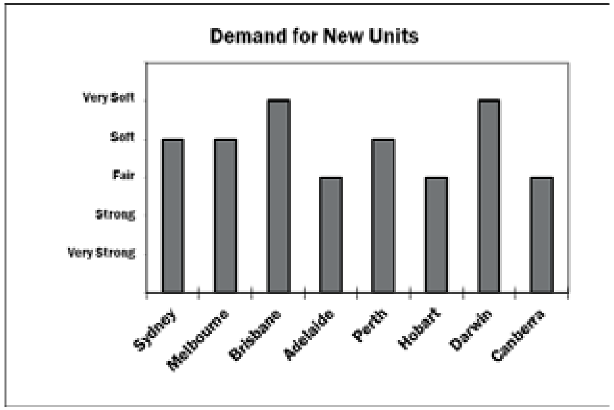
Factor	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart	Darwin	Canberra
Rental Vacancy Situation	Balanced market	Balanced market - Over-supply of available property relative to demand	Over-supply of available property relative to demand	Balanced market	Over-supply of available property relative to demand	Balanced market	Large over-supply of available property relative to demand	Balanced market
Rental Vacancy Trend	Increasing	Steady	Increasing	Steady	Increasing	Tightening	Steady	Steady
Demand for New Units	Soft	Soft	Very soft	Fair	Soft	Fair	Very soft	Fair
Trend in New Unit Construction	Steady	Steady - Increasing	Declining significantly	Increasing	Declining	Declining	Declining significantly	Steady
Volume of Unit Sales	Steady	Declining	Declining significantly	Steady	Steady	Steady	Steady	Steady
Stage of Property Cycle	Starting to decline	Peak of market	Declining market	Bottom of market	Declining market	Rising market	Approaching bottom of market	Declining market
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Occasionally	Occasionally	Very frequently	Occasionally	Occasionally	Almost never	Frequently	Frequently

Red entries indicate change from previous month to a higher risk-rating

Blue entries indicate change from previous month to a lower risk-rating







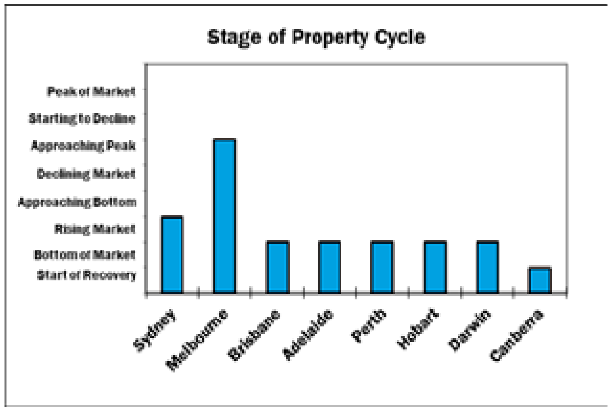
Market Indicators

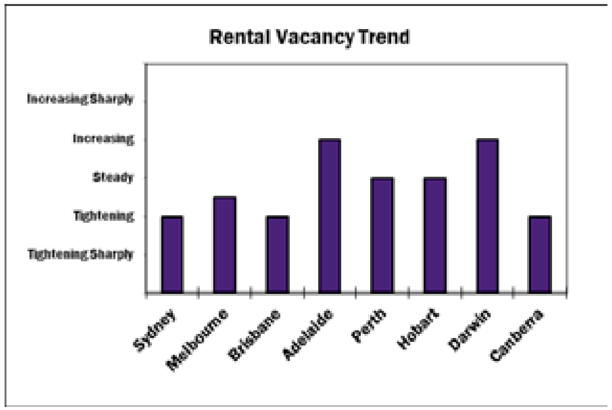
Capital City Property Market Indicators - Office

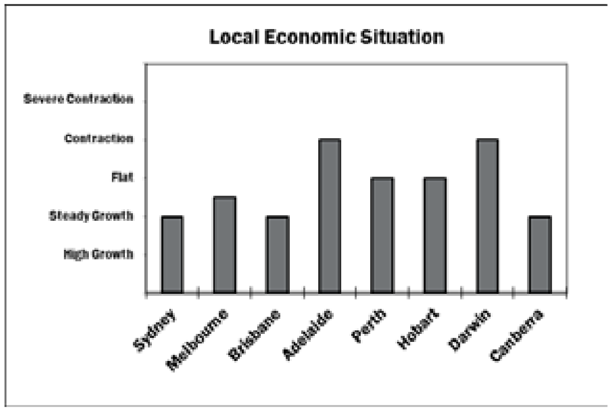
Factor	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart	Darwin	Canberra
Rental Vacancy Situation	Shortage of available property relative to demand	Balanced market - Over-supply of available property relative to demand	Large over-supply of available property relative to demand	Large over-supply of available property relative to demand	Large over-supply of available property relative to demand	Over-supply of available property relative to demand	Large over-supply of available property relative to demand	Balanced market
Rental Vacancy Trend	Tightening	Tightening - Steady	Tightening	Increasing	Steady	Steady	Increasing	Tightening
Rental Rate Trend	Increasing	Stable - Increasing	Stable	Declining	Stable	Declining	Declining	Increasing
Volume of Property Sales	Steady	Declining	Steady	Steady	Steady	Steady	Steady	Increasing
Stage of Property Cycle	Rising market	Approaching peak of market	Bottom of market	Bottom of market	Bottom of market	Bottom of market	Bottom of market	Start of recovery
Local Economic Situation	Steady growth	Steady growth - Flat	Steady growth	Contraction	Flat	Flat	Contraction	Steady growth
Value Difference between Quality Properties with National Tenants, and Comparable Properties with Local Tenants	Small	Significant	Significant	Significant	Significant	Significant	Significant	Significant

Red entries indicate change from 3 months ago to a higher risk-rating

Blue entries indicate change from 3 months ago to a lower risk-rating





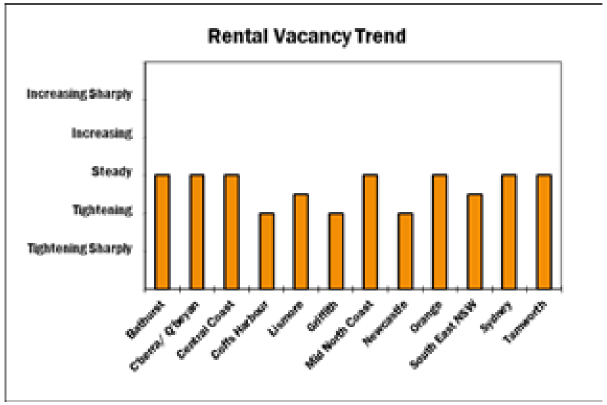


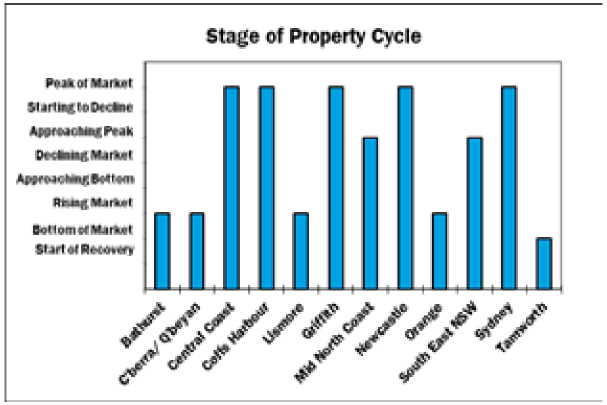
New South Wales Property Market Indicators - Houses

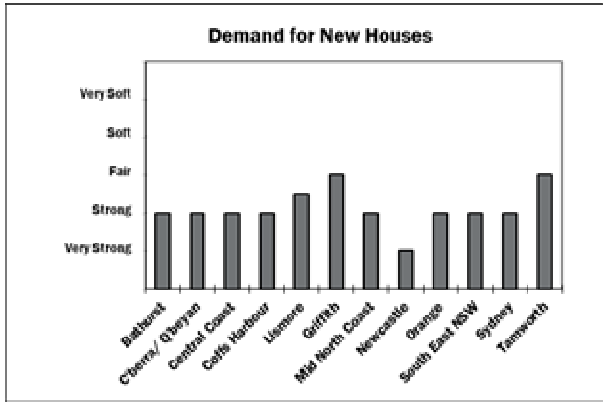
Factor	Bathurst	Canberra	Central Coast	Coffs Harbour	Griffith	Lismore	Mid North Coast	Newcastle	Orange	South East NSW	Sydney	Tamworth
Rental Vacancy Situation	Balanced market	Balanced market	Balanced market	Balanced market	Balanced market	Shortage of available property relative to demand - Balanced market	Over-supply of available property relative to demand	Shortage of available property relative to demand	Balanced market	Balanced market	Balanced market	Balanced market
Rental Vacancy Trend	Steady	Steady	Steady	Tightening	Tightening	Tightening - Steady	Steady	Tightening	Steady	Tightening - Steady	Steady	Steady
Demand for New Houses	Strong	Strong	Strong	Strong	Fair	Fair - Strong	Strong	Very strong	Strong	Strong	Strong	Fair
Trend in New House Construction	Increasing	Increasing	Steady	Increasing	Steady	Steady - Increasing	Steady	Declining	Increasing	Increasing	Steady	Steady
Volume of House Sales	Increasing	Steady	Steady	Steady	Steady	Increasing - Steady	Increasing	Increasing	Increasing	Steady	Steady	Increasing
Stage of Property Cycle	Rising market	Rising market	Peak of market	Peak of market	Peak of market	Rising market	Approaching peak of market	Peak of market	Rising market	Approaching peak of market	Peak of market	Rising market
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Occasionally	Occasionally	Occasionally	Almost never	Occasionally	Occasionally - Frequently	Occasionally	Almost always	Occasionally	Occasionally	Almost never	Occasionally

Red entries indicate change from previous month to a higher risk-rating

Blue entries indicate change from previous month to a lower risk-rating





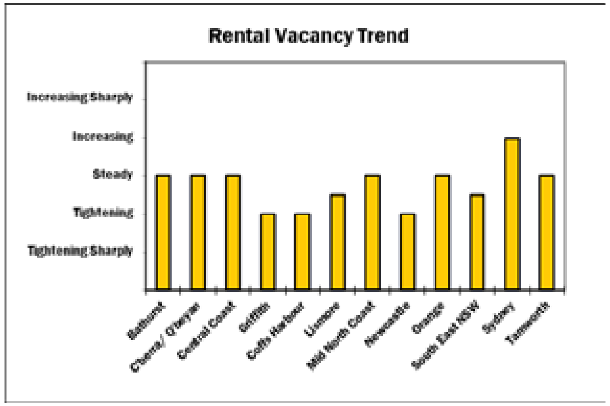


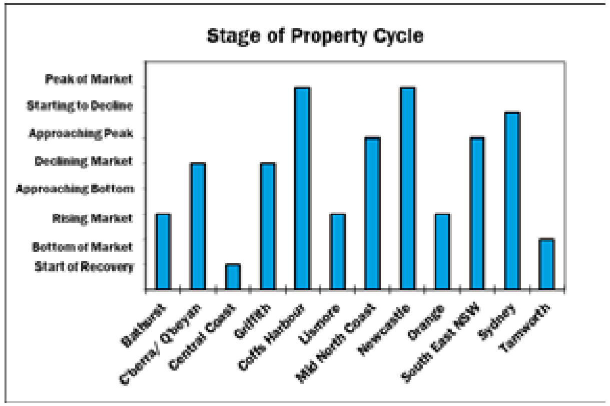
New South Wales Property Market Indicators - Units

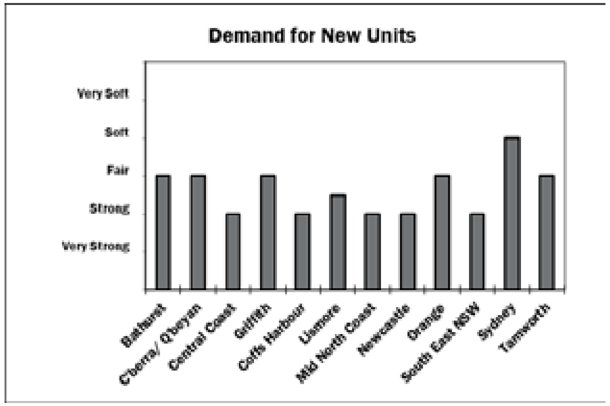
Factor	Bathurst	Canberra	Central Coast	Coffs Harbour	Griffith	Lismore	Mid North Coast	Newcastle	Orange	South East NSW	Sydney	Tamworth
Rental Vacancy Situation	Balanced market	Balanced market	Shortage of available property relative to demand	Balanced market	Balanced market	Shortage of available property relative to demand - Balanced market	Over-supply of available property relative to demand	Shortage of available property relative to demand	Balanced market	Balanced market	Balanced market	Balanced market
Rental Vacancy Trend	Steady	Steady	Steady	Tightening	Tightening	Tightening - Steady	Steady	Tightening	Steady	Tightening - Steady	Increasing	Steady
Demand for New Units	Fair	Fair	Very strong	Strong	Fair	Fair - Strong	Strong	Strong	Fair	Strong	Soft	Soft
Trend in New Unit Construction	Steady	Steady	Steady	Increasing	Steady	Declining - Steady	Steady	Declining	Steady	Increasing	Steady	Declining
Volume of Unit Sales	Increasing	Steady	Increasing strongly	Steady	Steady	Increasing - Steady	Increasing	Increasing	Increasing	Steady	Steady	Steady
Stage of Property Cycle	Rising market	Declining market	Peak of market	Peak of market	Declining market	Rising market	Approaching peak of market	Peak of market	Rising market	Approaching peak of market	Starting to decline	Rising market
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Occasionally	Frequently	Occasionally	Occasionally	Almost never	Occasionally - Frequently	Almost never	Almost always	Occasionally	Occasionally	Occasionally	Occasionally

Red entries indicate change from previous month to a higher risk-rating

Blue entries indicate change from previous month to a lower risk-rating







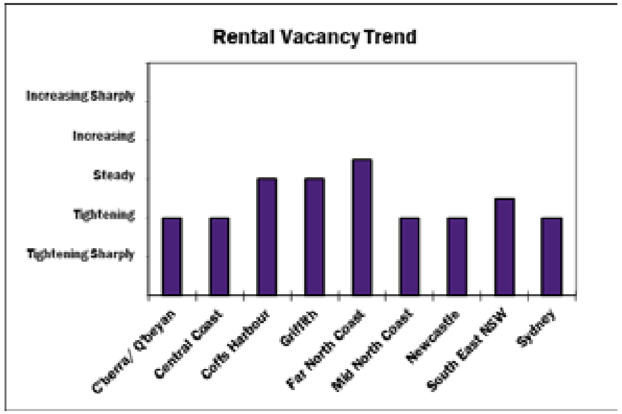
Market Indicators

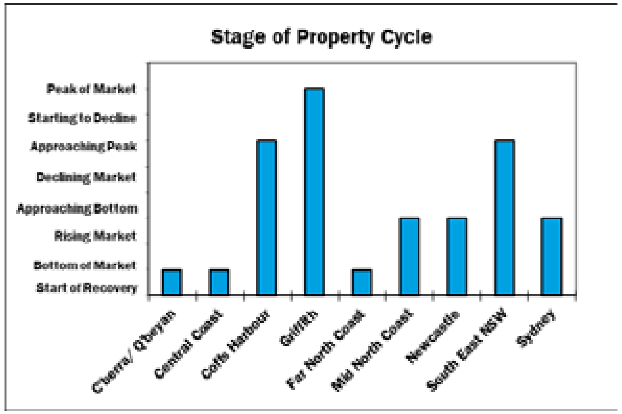
New South Wales Property Market Indicators - Office

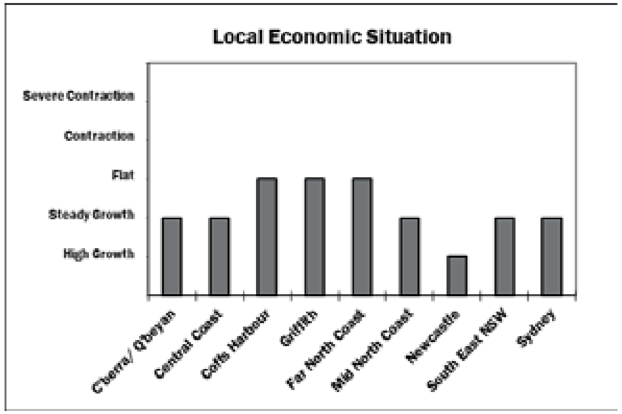
Factor	Canberra	Central Coast	Coffs Harbour	Griffith	Far North Coast	Mid North Coast	Newcastle	South East NSW	Sydney
Rental Vacancy Situation	Balanced market	Balanced market	Over-supply of available property relative to demand	Balanced market	Balanced market - Over-supply of available property relative to demand	Balanced market	Shortage of available property relative to demand - Balanced market	Balanced market	Shortage of available property relative to demand
Rental Vacancy Trend	Tightening	Tightening	Steady	Steady	Steady - Increasing	Tightening	Tightening	Tightening - Steady	Tightening
Rental Rate Trend	Increasing	Stable	Stable	Stable	Declining - Stable	Increasing	Increasing	Stable - Increasing	Increasing
Volume of Property Sales	Increasing	Increasing	Steady	Steady	Steady	Increasing	Increasing	Increasing	Steady
Stage of Property Cycle	Start of recovery	Start of recovery	Approaching peak of market	Peak of market	Start of recovery	Rising market	Rising market	Approaching peak of market	Rising market
Local Economic Situation	Steady growth	Steady growth	Flat	Flat	Flat	Steady growth	High growth	Steady growth	Steady growth
Value Difference between Quality Properties with National Tenants, and Comparable Properties with Local Tenants	Significant	Significant	Significant	Small	Significant	Small	Large	Small - Significant	Small

Red entries indicate change from 3 months ago to a higher risk-rating

Blue entries indicate change from 3 months ago to a lower risk-rating







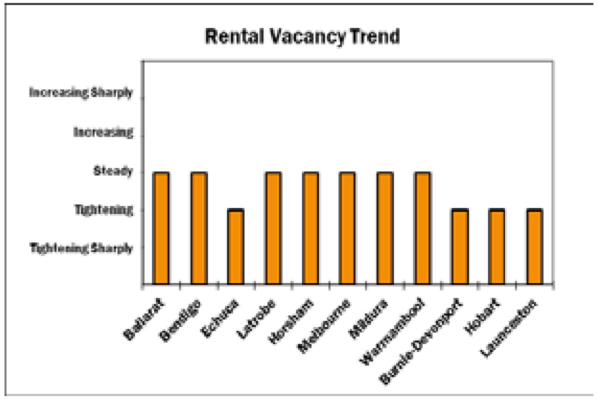
Market Indicators

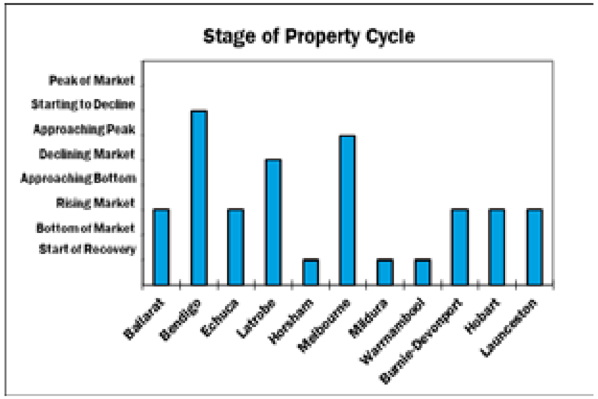
Victoria/Tasmania Property Market Indicators - Houses

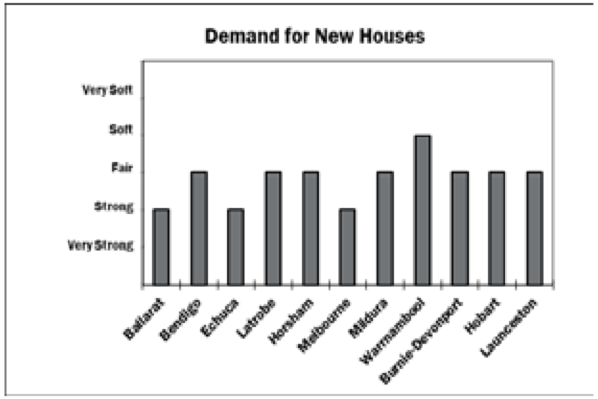
Factor	Ballarat	Bendigo	Echuca	Latrobe	Horsham	Melbourne	Mildura	Warrnambool	Burnie/ Devonport	Hobart	Launceston
Rental Vacancy Situation	Balanced market	Balanced market	Shortage of available property relative to demand	Balanced market	Balanced market - Over-supply of available property relative to demand	Shortage of available property relative to demand - Balanced market	Balanced market	Balanced market	Balanced market	Balanced market	Balanced market
Rental Vacancy Trend	Steady	Steady	Tightening	Steady	Steady	Steady	Steady	Steady	Tightening	Tightening	Tightening
Demand for New Houses	Strong	Fair	Strong	Fair	Fair	Strong	Fair	Soft	Fair	Fair	Fair
Trend in New House Construction	Steady	Steady	Steady	Declining	Steady - Increasing	Steady	Steady	Steady	Declining	Declining	Declining
Volume of House Sales	Increasing	Steady	Steady	Declining	Steady - Declining	Steady	Steady	Steady	Steady	Steady	Steady
Stage of Property Cycle	Rising market	Rising market	Rising market	Declining market	Start of recovery	Approaching peak of market	Start of recovery	Start of recovery	Rising market	Rising market	Rising market
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Occasionally	Occasionally	Occasionally	Almost never	Almost never	Occasionally	Almost never	Almost never	Almost never	Almost never	Almost never

Red entries indicate change from previous month to a higher risk-rating

Blue entries indicate change from previous month to a lower risk-rating



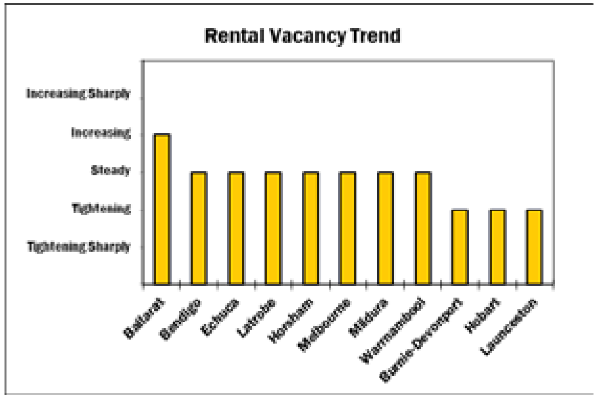


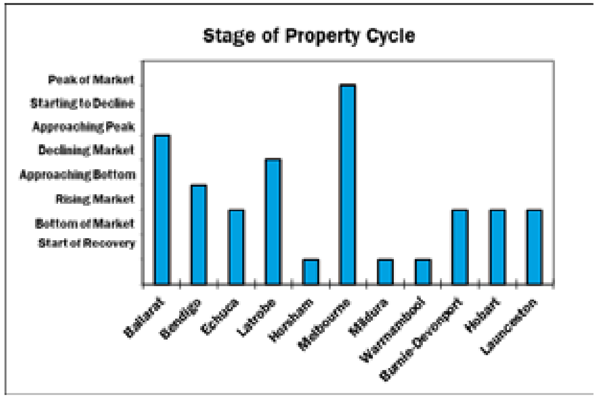


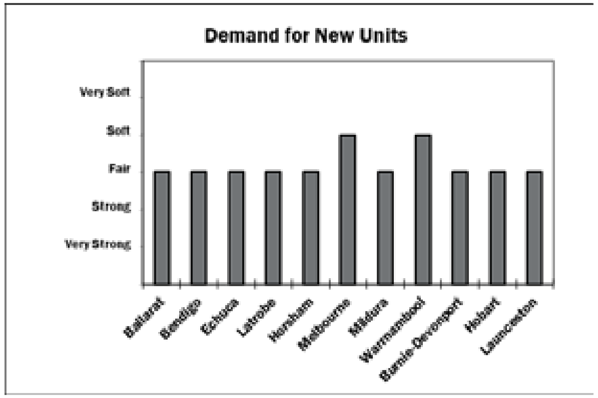
Victoria/Tasmania Property Market Indicators - Units

Factor	Ballarat	Bendigo	Echuca	Horsham	Latrobe	Melbourne	Mildura	Warrnambool	Burnie/ Devonport	Hobart	Launceston
Rental Vacancy Situation	Over-supply of available property relative to demand	Balanced market	Balanced market	Balanced market	Balanced market - Over-supply of available property relative to demand	Balanced market - Over-supply of available property relative to demand	Balanced market	Balanced market	Balanced market	Balanced market	Balanced market
Rental Vacancy Trend	Increasing	Steady	Steady	Steady	Steady	Steady	Steady	Steady	Tightening	Tightening	Tightening
Demand for New Houses	Fair	Fair	Fair	Fair	Fair	Soft	Fair	Soft	Fair	Fair	Fair
Trend in New House Construction	Steady	Steady	Steady	Declining	Steady - Increasing	Steady - Increasing	Steady	Steady	Declining	Declining	Declining
Volume of House Sales	Increasing	Steady	Steady	Declining	Steady - Declining	Declining	Steady	Steady	Steady	Steady	Steady
Stage of Property Cycle	Approaching peak of market	Approaching bottom of market	Rising market	Declining market	Start of recovery	Peak of market	Start of recovery	Start of recovery	Rising market	Rising market	Rising market
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Occasionally	Occasionally	Occasionally	Almost never	Almost never	Occasionally	Almost never	Occasionally	Almost never	Almost never	Almost never

Red entries indicate change from previous month to a higher risk-rating *Blue entries indicate change from previous month to a lower risk-rating*







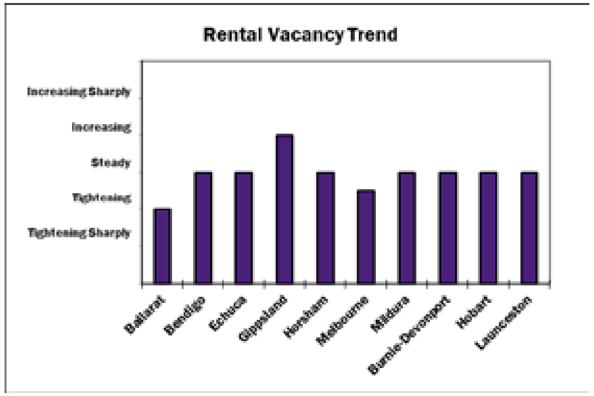
Market Indicators

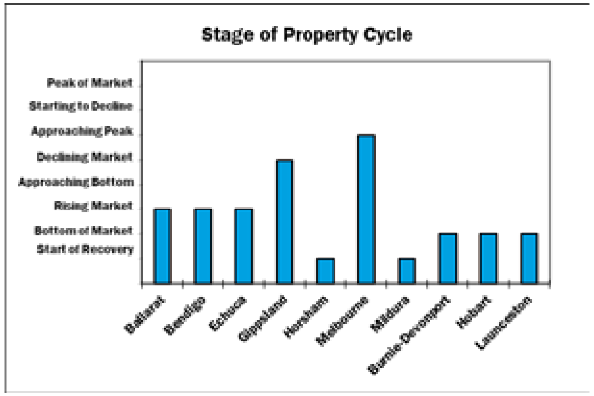
Victoria/Tasmania Property Market Indicators - Office

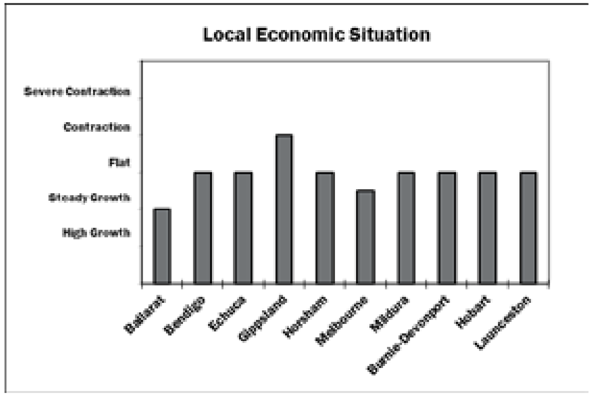
Factor	Ballarat	Bendigo	Echuca	Gippsland	Horsham	Melbourne	Mildura	Burnie/ Devonport	Hobart	Launceston
Rental Vacancy Situation	Balanced market	Balanced market	Balanced market	Over-supply of available property relative to demand	Balanced market	Balanced market - Over-supply of available property relative to demand	Balanced market	Over-supply of available property relative to demand	Over-supply of available property relative to demand	Over-supply of available property relative to demand
Rental Vacancy Trend	Tightening	Steady	Steady	Increasing	Steady	Tightening - Steady	Steady	Steady	Steady	Steady
Rental Rate Trend	Increasing	Stable	Stable	Stable	Stable	Stable - Increasing	Stable	Declining	Declining	Declining
Volume of Property Sales	Increasing	Steady	Steady	Declining	Steady	Declining	Steady	Steady	Steady	Steady
Stage of Property Cycle	Rising market	Rising market	Rising market	Declining market	Start of recovery	Approaching peak of market	Start of recovery	Bottom of market	Bottom of market	Bottom of market
Local Economic Situation	Steady growth	Flat	Flat	Contraction	Flat	Steady growth - Flat	Flat	Flat	Flat	Flat
Value Difference between Quality Properties with National Tenants, and Comparable Properties with Local Tenants	Small	Significant	Significant	Significant	Significant	Significant	Significant	Significant	Significant	Significant

Red entries indicate change from 3 months ago to a higher risk-rating

Blue entries indicate change from 3 months ago to a lower risk-rating







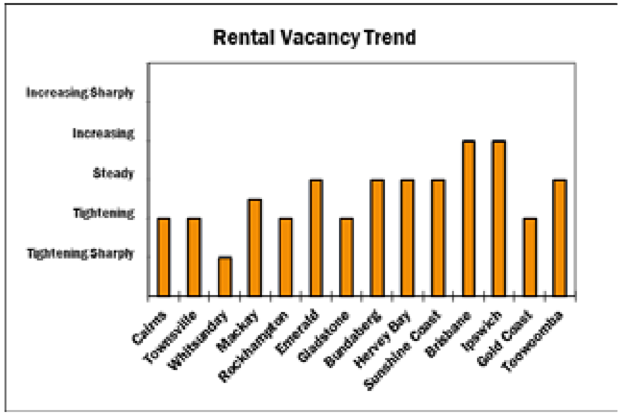
Market Indicators

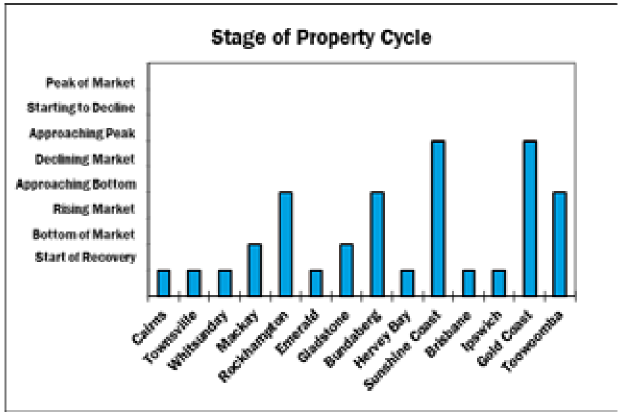
Queensland Property Market Indicators - Houses

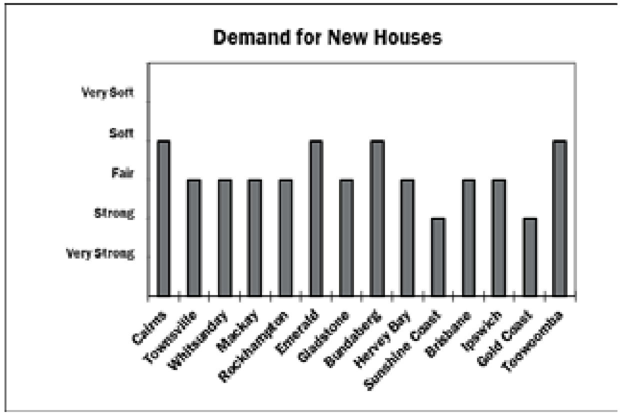
Factor	Cairns	Townsville	Whit-sunday	Mackay	Rock-hampton	Emerald	Gladstone	Bunda-berg	Hervey Bay	Sunshine Coast	Brisbane	Ipswich	Gold Coast	Too-woomba
Rental Vacancy Situation	Shortage of available property relative to demand	Balanced market	Severe shortage of available property relative to demand	Balanced market	Over-supply of available property relative to demand	Balanced market	Over-supply of available property relative to demand	Balanced market	Balanced market	Balanced market	Over-supply of available property relative to demand	Over-supply of available property relative to demand	Shortage of available property relative to demand	Balanced market
Rental Vacancy Trend	Tightening	Tightening	Tightening sharply	Tightening - Steady	Tightening	Steady	Tightening	Steady	Steady	Steady	Increasing	Increasing	Tightening	Steady
Demand for New Houses	Soft	Fair	Fair	Fair	Fair	Soft	Fair	Soft	Fair	Strong	Fair	Fair	Strong	Soft
Trend in New House Construction	Steady	Steady	Steady	Steady	Increasing	Steady	Increasing	Steady	Increasing	Increasing	Increasing	Increasing	Increasing	Steady
Volume of House Sales	Steady	Steady	Steady	Increasing	Steady	Steady	Steady	Steady	Increasing	Steady	Steady	Steady	Steady	Steady
Stage of Property Cycle	Start of recovery	Start of recovery	Start of recovery	Bottom of market	Approaching bottom of market	Start of recovery	Bottom of market	Approaching bottom of market	Start of recovery	Approaching peak of market	Start of recovery	Start of recovery	Approaching peak of market	Approaching bottom of market
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Occasion-ally	Almost never	Occasion-ally	Occasion-ally	Occasion-ally	Occasion-ally	Occasion-ally	Almost never	Occasion-ally	Occasion-ally	Occasion-ally	Occasion-ally	Occasion-ally	Frequently

Red entries indicate change from previous month to a higher risk-rating

Blue entries indicate change from previous month to a lower risk-rating







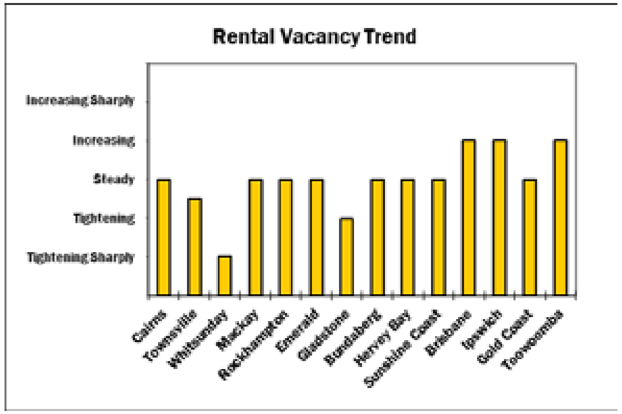
Market Indicators

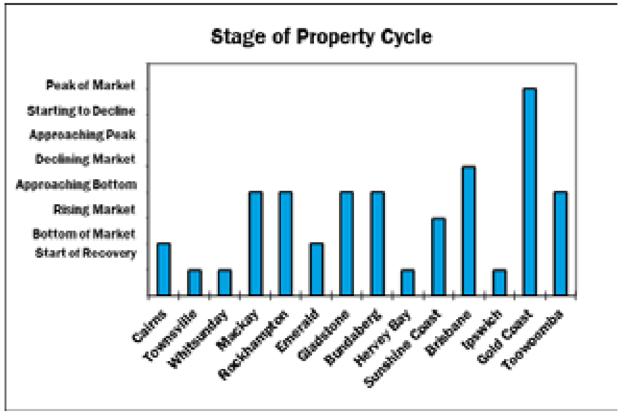
Queensland Property Market Indicators - Units

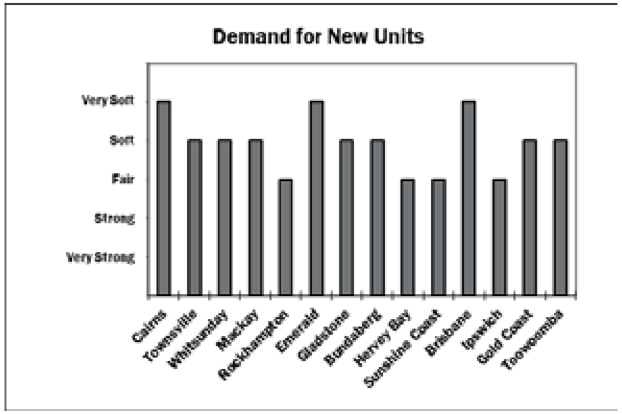
Factor	Cairns	Townsville	Whit-sunday	Mackay	Rock-hampton	Emerald	Gladstone	Bunda-berg	Hervey Bay	Sunshine Coast	Brisbane	Ipswich	Gold Coast	Too-woomba
Rental Vacancy Situation	Shortage of available property relative to demand	Over-supply of available property relative to demand	Severe shortage of available property relative to demand	Over-supply of available property relative to demand	Balanced market	Over-supply of available property relative to demand	Over-supply of available property relative to demand	Balanced market	Balanced market	Balanced market	Over-supply of available property relative to demand	Balanced market	Balanced market	Over-supply of available property relative to demand
Rental Vacancy Trend	Steady	Tightening - Steady	Tightening sharply	Steady	Steady	Steady	Tightening	Steady	Steady	Steady	Increasing	Increasing	Steady	Increasing
Demand for New Units	Very soft	Soft	Soft	Soft	Fair	Very soft	Soft	Soft	Fair	Fair	Very soft	Fair	Soft	Soft
Trend in New Unit Construction	Steady	Steady	Increasing strongly	Declining	Increasing	Declining significantly	Steady	Steady	Steady	Increasing	Declining significantly	Increasing	Increasing	Declining
Volume of Unit Sales	Steady	Steady	Steady	Steady	Steady	Steady	Steady	Declining	Increasing - Steady	Steady	Declining significantly	Steady	Steady	Declining
Stage of Property Cycle	Bottom of market	Start of recovery	Start of recovery	Approaching bottom of market	Approaching bottom of market	Bottom of market	Approaching bottom of market	Approaching bottom of market	Start of recovery	Rising market	Declining market	Start of recovery	Peak of market	Approaching bottom of market
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Occasion-ally	Almost never	Occasion-ally	Occasion-ally	Occasion-ally	Occasion-ally	Occasion-ally	Almost never	Occasion-ally	Occasion-ally	Very frequently	Frequently	Frequently	Occasion-ally

Red entries indicate change from previous month to a higher risk-rating

Blue entries indicate change from previous month to a lower risk-rating





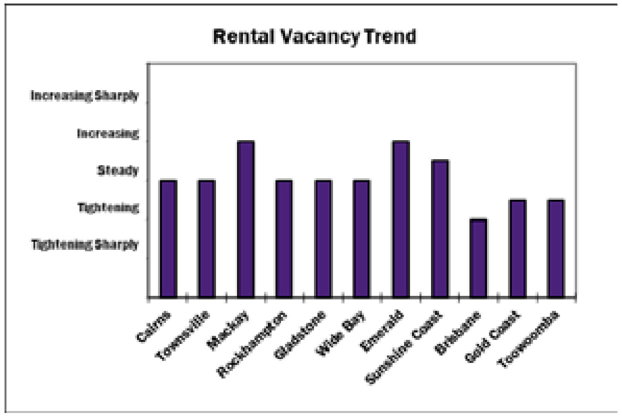


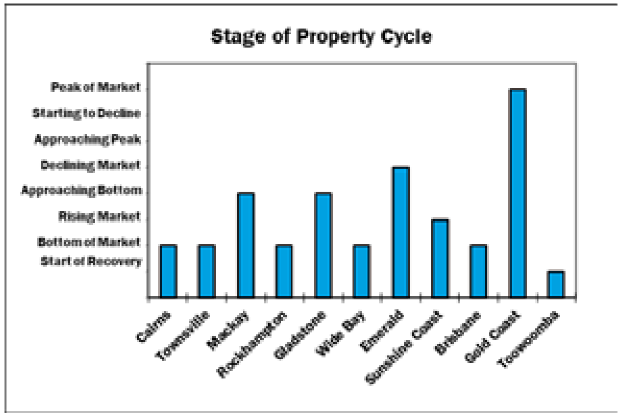
Queensland Property Market Indicators - Office

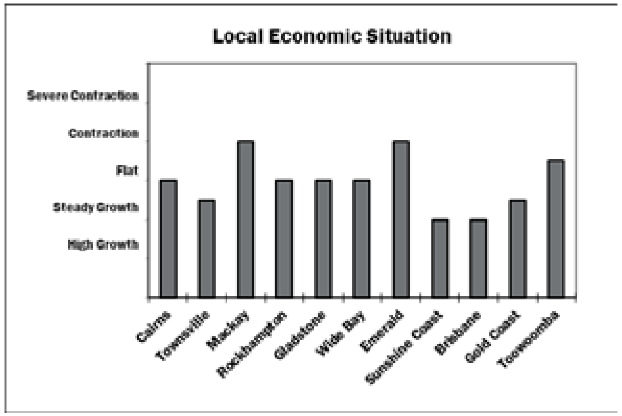
Factor	Cairns	Townsville	Mackay	Rock-hampton	Emerald	Gladstone	Wide Bay	Sunshine Coast	Brisbane	Gold Coast	Toowoomba
Rental Vacancy Situation	Over-supply of available property relative to demand	Over-supply of available property relative to demand	Over-supply of available property relative to demand	Balanced market - Over-supply of available property relative to demand	Over-supply of available property relative to demand	Balanced market	Over-supply of available property relative to demand	Balanced market - Over-supply of available property relative to demand	Large over-supply of available property relative to demand	Over-supply of available property relative to demand	Balanced market - Over-supply of available property relative to demand
Rental Vacancy Trend	Steady	Steady	Increasing	Steady	Steady	Steady	Increasing	Steady - Increasing	Tightening	Tightening - Steady	Tightening - Steady
Rental Rate Trend	Declining - Stable	Declining	Declining	Stable	Stable	Stable	Declining	Stable	Stable	Stable - Increasing	Declining - Stable
Volume of Property Sales	Steady	Steady	Declining	Steady	Steady	Steady	Declining	Steady	Steady	Increasing	Increasing
Stage of Property Cycle	Bottom of market	Bottom of market	Approaching bottom of market	Bottom of market	Approaching bottom of market	Bottom of market	Declining market	Rising market	Bottom of market	Peak of market	Start of recovery
Local Economic Situation	Flat	Steady growth - Flat	Contraction	Flat	Flat	Flat	Contraction	Steady growth	Steady growth	Steady growth - Flat	Flat - Contraction
Value Difference between Quality Properties with National Tenants, and Comparable Properties with Local Tenants	Small	Small - Significant	Large	Small - Significant	n/a	Significant	Small	Small - Significant	Significant	Small	Significant - Large

Red entries indicate change from 3 months ago to a higher risk-rating

Blue entries indicate change from 3 months ago to a lower risk-rating







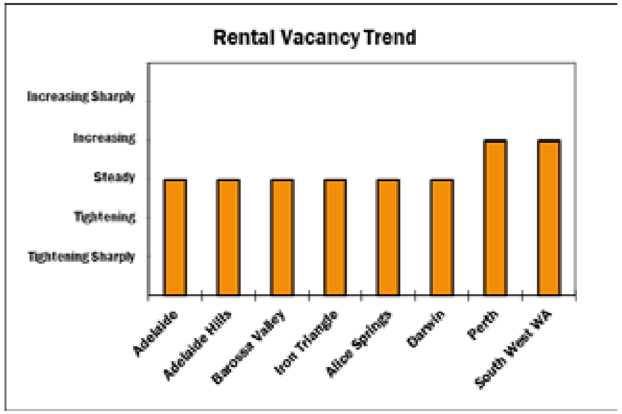
Market Indicators

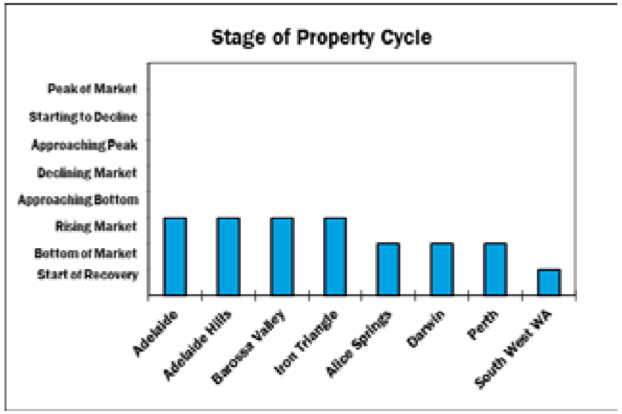
Northern Territory, South Australia & Western Australia Property Market Indicators - Houses

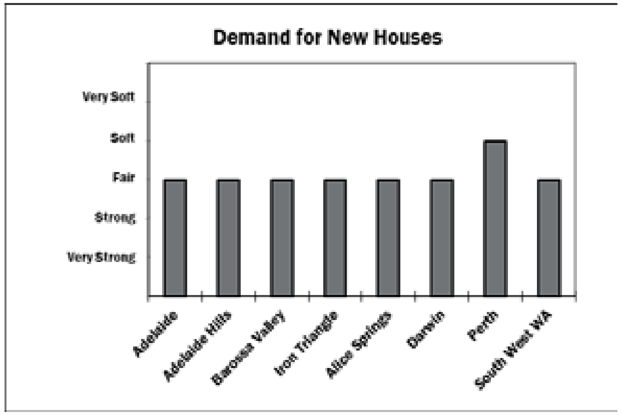
Factor	Adelaide	Adelaide Hills	Barossa Valley	Iron Triangle	Mount Gambier	Alice Springs	Darwin	Perth	South West WA
Rental Vacancy Situation	Balanced market	Balanced market	Balanced market	Balanced market	Shortage of available property relative to demand	Balanced market	Over-supply of available property relative to demand	Over-supply of available property relative to demand	Balanced market
Rental Vacancy Trend	Steady	Steady	Steady	Steady	Tightening	Steady	Steady	Increasing	Increasing
Demand for New Houses	Fair	Fair	Fair	Fair	Fair	Fair	Fair	Soft	Fair
Trend in New House Construction	Increasing	Increasing	Increasing	Increasing	Steady	Steady	Declining	Declining	Steady
Volume of House Sales	Steady	Steady	Steady	Steady	Increasing	Steady	Steady	Steady	Steady
Stage of Property Cycle	Rising market	Rising market	Rising market	Rising market	Rising market	Bottom of market	Bottom of market	Bottom of market	Start of recovery
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Occasionally	Occasionally	Occasionally	Occasionally	Occasionally	Almost never	Occasionally	Occasionally	Almost never

Red entries indicate change from 3 months ago to a higher risk-rating

Blue entries indicate change from 3 months ago to a lower risk-rating





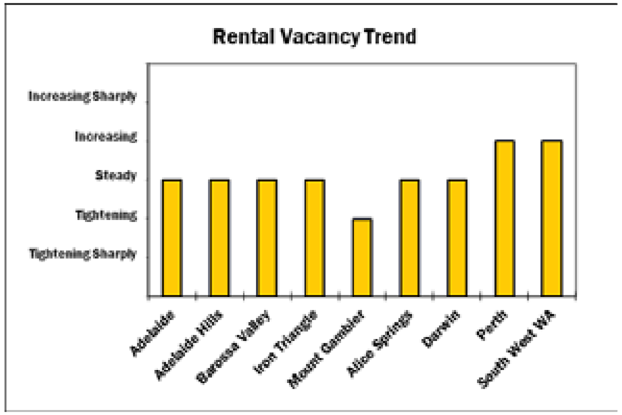


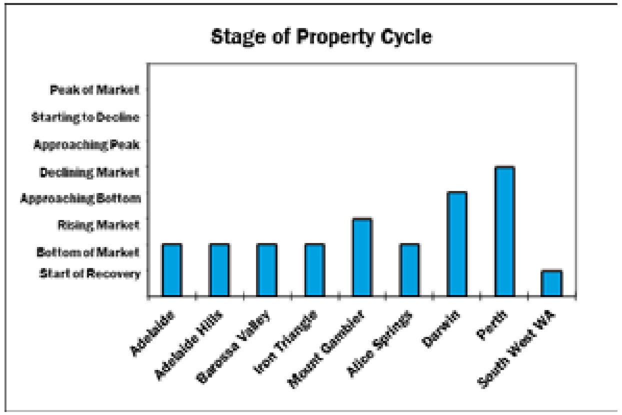
Northern Territory, South Australia & Western Australia Property Market Indicators - Units

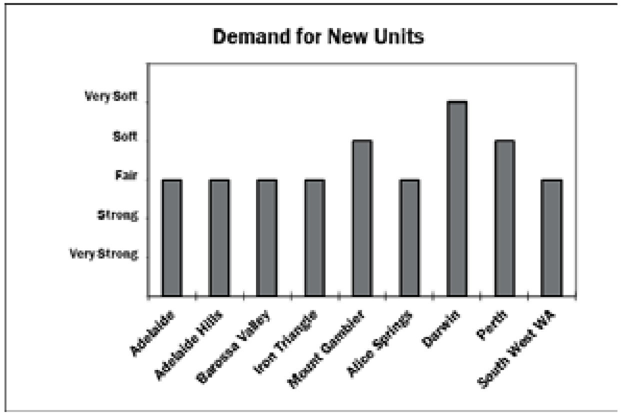
Factor	Adelaide	Adelaide Hills	Barossa Valley	Iron Triangle	Mount Gambier	Alice Springs	Darwin	Perth	South West WA
Rental Vacancy Situation	Balanced market	Balanced market	Balanced market	Balanced market	Shortage of available property relative to demand	Balanced market	Large over-supply of available property relative to demand	Over-supply of available property relative to demand	Balanced market
Rental Vacancy Trend	Steady	Steady	Steady	Steady	Tightening	Steady	Steady	Increasing	Increasing
Demand for New Units	Fair	Fair	Fair	Fair	Soft	Fair	Very soft	Soft	Fair
Trend in New Unit Construction	Increasing	Increasing	Increasing	Increasing	Steady	Steady	Declining significantly	Declining	Steady
Volume of Unit Sales	Steady	Steady	Steady	Steady	Increasing	Steady	Steady	Steady	Steady
Stage of Property Cycle	Bottom of market	Bottom of market	Bottom of market	Bottom of market	Rising market	Bottom of market	Approaching bottom of market	Declining market	Start of recovery
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Occasionally	Occasionally	Occasionally	Occasionally	Occasionally	Almost never	Frequently	Occasionally	Almost never

Red entries indicate change from 3 months ago to a higher risk-rating

Blue entries indicate change from 3 months ago to a lower risk-rating







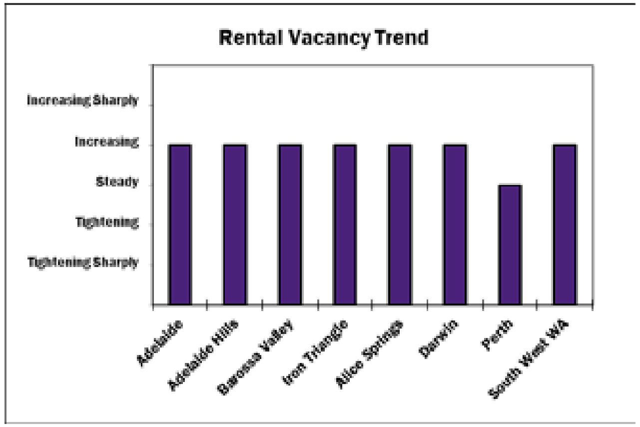
Market Indicators

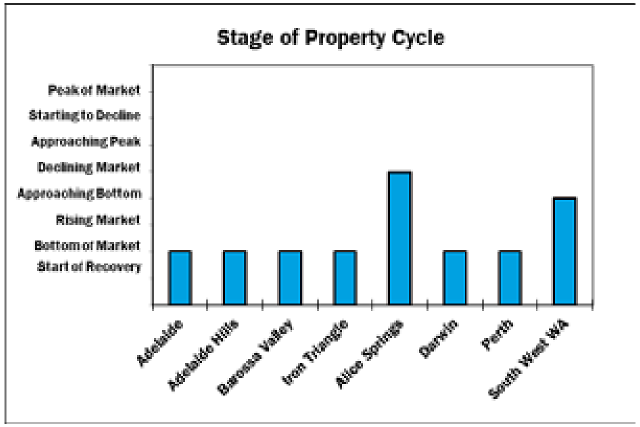
Northern Territory, South Australia & Western Australia Property Market Indicators - Office

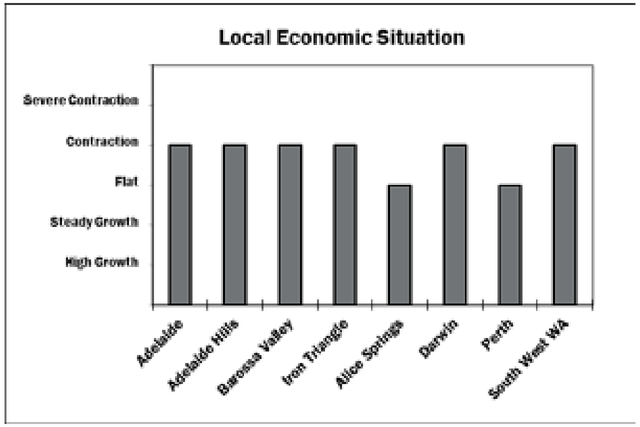
Factor	Adelaide	Adelaide Hills	Barossa Valley	Iron Triangle	Alice Springs	Darwin	Perth	South West WA
Rental Vacancy Situation	Large over-supply of available property relative to demand	Large over-supply of available property relative to demand	Large over-supply of available property relative to demand	Large over-supply of available property relative to demand	Over-supply of available property relative to demand	Large over-supply of available property relative to demand	Large over-supply of available property relative to demand	Over-supply of available property relative to demand
Rental Vacancy Trend	Increasing	Increasing	Increasing	Increasing	Steady	Increasing	Steady	Increasing
Rental Rate Trend	Declining	Declining	Declining	Declining	Declining	Declining	Stable	Declining
Volume of Property Sales	Steady	Steady	Steady	Steady	Steady	Steady	Steady	Declining
Stage of Property Cycle	Bottom of market	Bottom of market	Bottom of market	Bottom of market	Declining market	Bottom of market	Bottom of market	Approaching bottom of market
Local Economic Situation	Contraction	Contraction	Contraction	Contraction	Flat	Contraction	Flat	Contraction
Value Difference between Quality Properties with National Tenants, and Comparable Properties with Local Tenants	Significant	Significant	Significant	Significant	Small	Significant	Significant	Small

Red entries indicate change from 3 months ago to a higher risk-rating

Blue entries indicate change from 3 months ago to a lower risk-rating







Local expertise. National strength. Trusted solutions.

Herron Todd White is Australia's leading independent property valuation and advisory group. For more than 45 years, we've helped our customers make the most of their property assets by providing sound valuations and insightful analytical advice.

With offices in every capital city, most regional centres, and right across rural Australia, we are where you are. Our valuers work in the property market everyday, providing professional services for all classes of property including commercial, industrial, retail, rural and residential.

Herron Todd White is Australian owned and operated. With directors who are owners in the business, our team has a personal stake in providing you with the best service possible.

HERRON TODD WHITE

Telephone 1300 880 489
admin@htw.com.au
htw.com.au