



Quarterly Market Insights

June Quarter 2021

●LIVER ■UME



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FOREWORD

Robust demand for property continues to be a key factor underpinning the resilient performance of the real estate market despite the economic turbulence and challenges triggered by COVID-19 and associated restrictions and lockdowns.

The June Quarter 2021 built on the market's impressive start to the year with many economic, property market and other indicators equal to or better than pre-pandemic levels. Record low interest rates and the rebound of buyer confidence continues to underpin strong demand across key residential property sectors.

The shift towards regional markets continues especially with frequent lockdowns reinforcing the need to consider the capacity to work from home.

Nationally, dwelling values continue to increase although there are some signs that the rate of growth might be slowing.

The Victorian and Queensland land markets both continue to see robust sales volumes.

While Victorians have endured extended periods of lockdowns in recent times, their appetite for new residential property is as strong as ever. Buyers and sellers have well and truly adapted to the disruption of lockdowns and so too has the property industry.

Digital land releases and auctions have become the new norm. This has meant that buyer demand can continue to be met. The shift to online means future COVID related restrictions are likely to have less of an impact on the Victorian market.

Queensland, which has managed to avoid extended lockdowns in recent times, is experiencing increased interest from both local and interstate buyers.

On the investor front, the heat is being turned up in several property markets and investors account for an increasing share of all transactions. Rising prices have reduced the number of bargains on the market sought by first home buyers and we are starting to see more consistent activity from investors month to month. Record low interest rates and the expectation that price growth will continue is helping to fuel investor interest in property after a hiatus in previous years.

Looking ahead and one of the major variables remains the impact of long-lasting lockdowns. The Sydney lockdown has wiped billions from the national economy and many markets are impacted in one way or another. Federal and State Government and RBA support will be key to mitigating the economic impact of lockdowns.

In these uncertain times, this latest Quarterly Market Insights report is an invaluable tool for understanding current and emerging trends in the property market.

Multiple data series are tracked to help us understand the residential property industry. We analyse what the market has done in the past, what is happening now and where the market is headed.

The report includes our own proprietary property intelligence prepared by our expert in-house research team. Delivering the latest data and intelligence to our clients, stakeholders and strategic partners empowers them to react to trends, anticipate the future and make strategic decisions.

It's all part of our commitment to providing leading market insights, forecasts and in-depth analysis of the Australian residential property market.

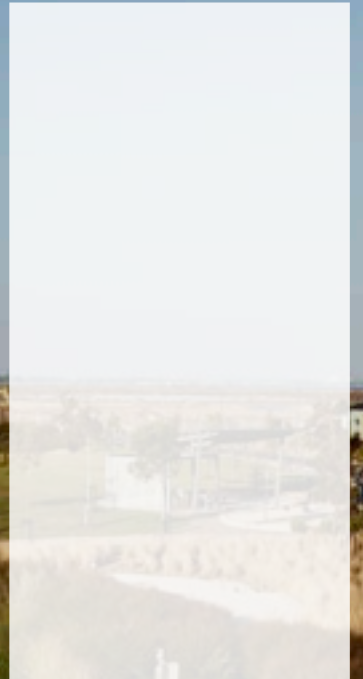






1.0

NATIONAL AND BUYER HIGHLIGHTS





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1.1

NATIONAL HIGHLIGHTS

CASH
RATE

0.1%

ECONOMIC
GROWTH

1.1%



INFLATION

3.8%

UNEMPLOYMENT
RATE

4.9%

EMPLOYMENT
GROWTH

6.3%

WAGE
GROWTH

1.5%

AVERAGE
WEEKLY EARNINGS

\$1,280

HOUSEHOLD
SAVING RATIO

11.6%

NET FOREIGN
LIABILITIES

44.4%

OF GDP



CONVERSION RATE

A\$1
= US\$0.74

POPULATION

25.7MIL
0.5% ANNUAL GROWTHEMPLOYMENT
RATIO

63%

RESIDENTIAL
DWELLINGS

\$779K

HOUSEHOLD
WEALTH

843%

AS A SHARE OF INCOME

HOUSEHOLD
DEBT

181%

AS A SHARE OF INCOME

LOAN REPAYMENTS
DEFERRALS

0.5% 0.3%

OF HOUSING
LOANSOF SMALL
AND MEDIUM
BUSINESS LOANSHOUSING CREDIT
GROWTH

1.2% 6.4%

INVESTOR

OWNER-
OCCUPIERCOMMERCIAL
PROPERTY RISKS
ELEVATED

6.0%

BUT LOW SHARE OF
BANKS' ASSETS

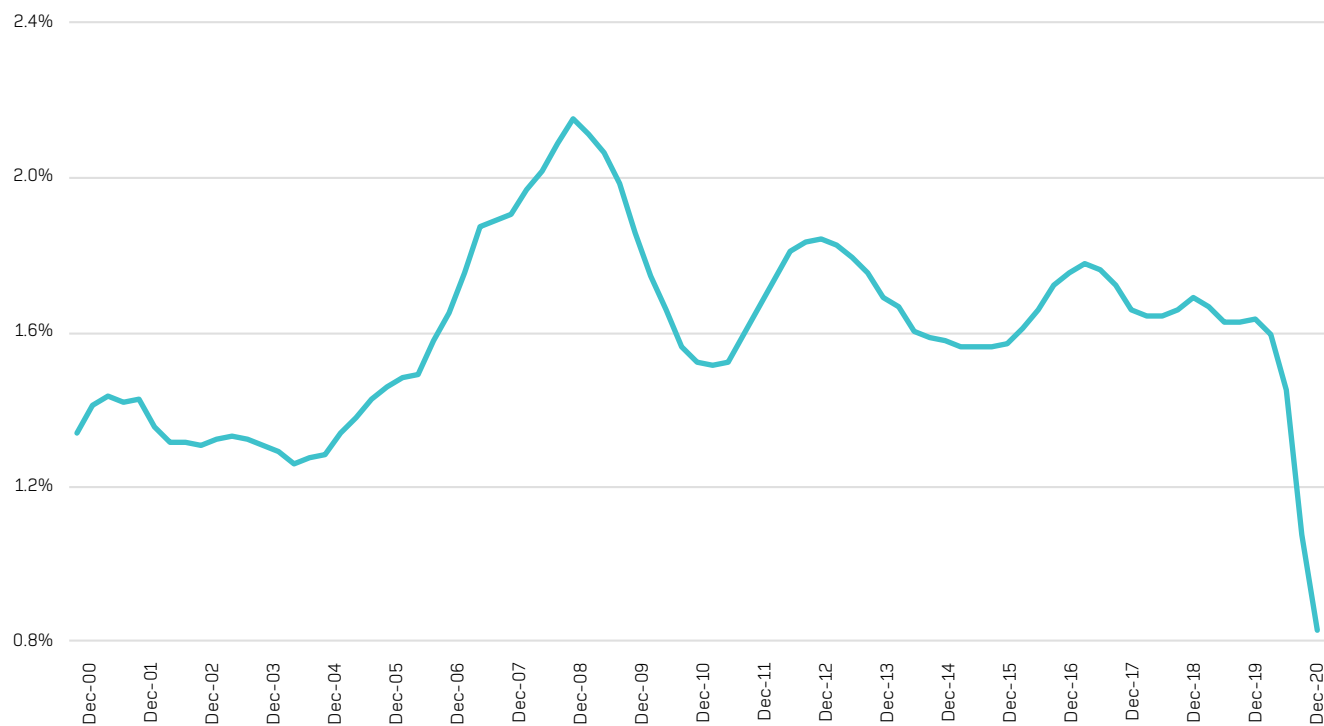
Sources: Reserve Bank of Australia (RBA), Australian Bureau of Statistics (ABS).

Australia's population growth remains constrained due to COVID-19 related border and other restrictions.

Australia's population reached almost 25.7 million people at 31 December 2020, increasing by 6,900 people (0.03%) over the quarter. Annual population growth was 136,300 people (0.5%).

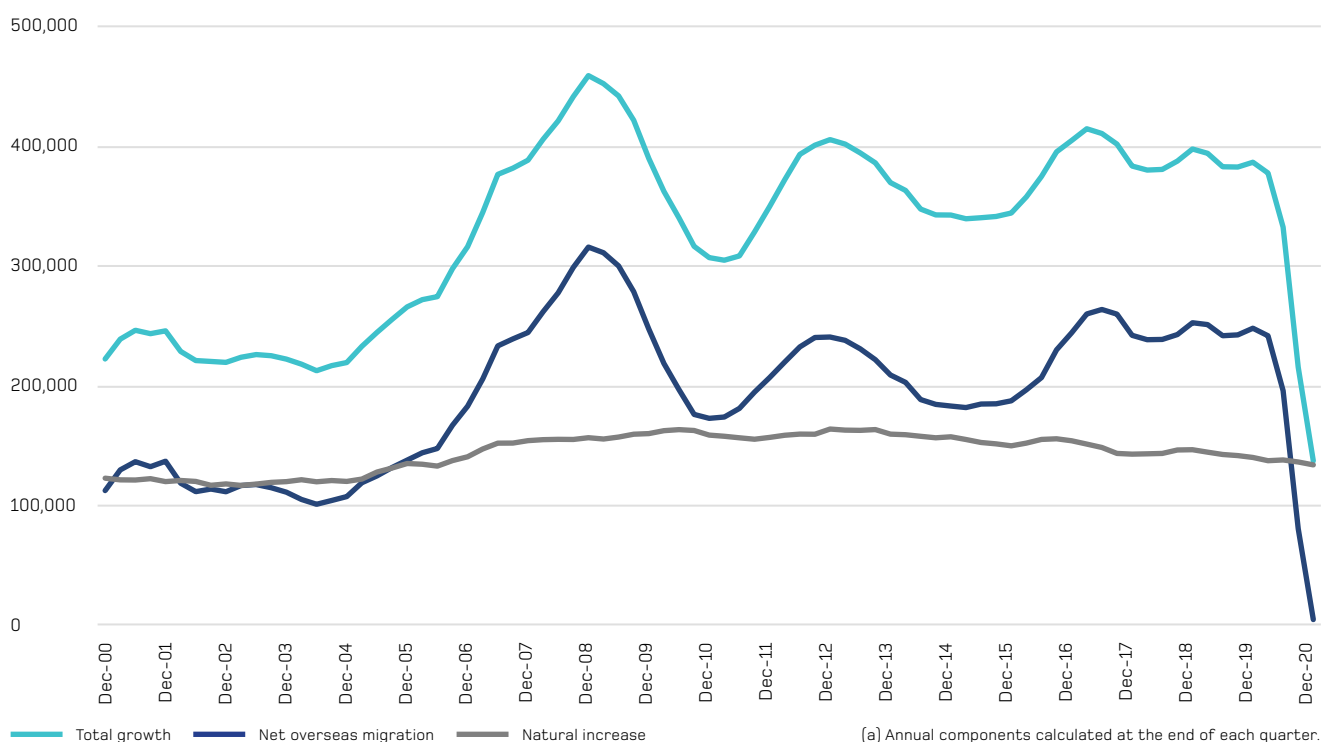
While migration has fallen sharply, this has been offset partially by a significant number of Australians returning home.

Australia – Annual Population Growth



(a) Annual growth calculated at the end of each quarter.
(b) All data after 30 June 2016 is subject to revision. Source: ABS, Oliver Hume Research.

Components of Annual Population Change – Australia



(a) Annual components calculated at the end of each quarter.
Source: ABS, Oliver Hume Research



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1.2

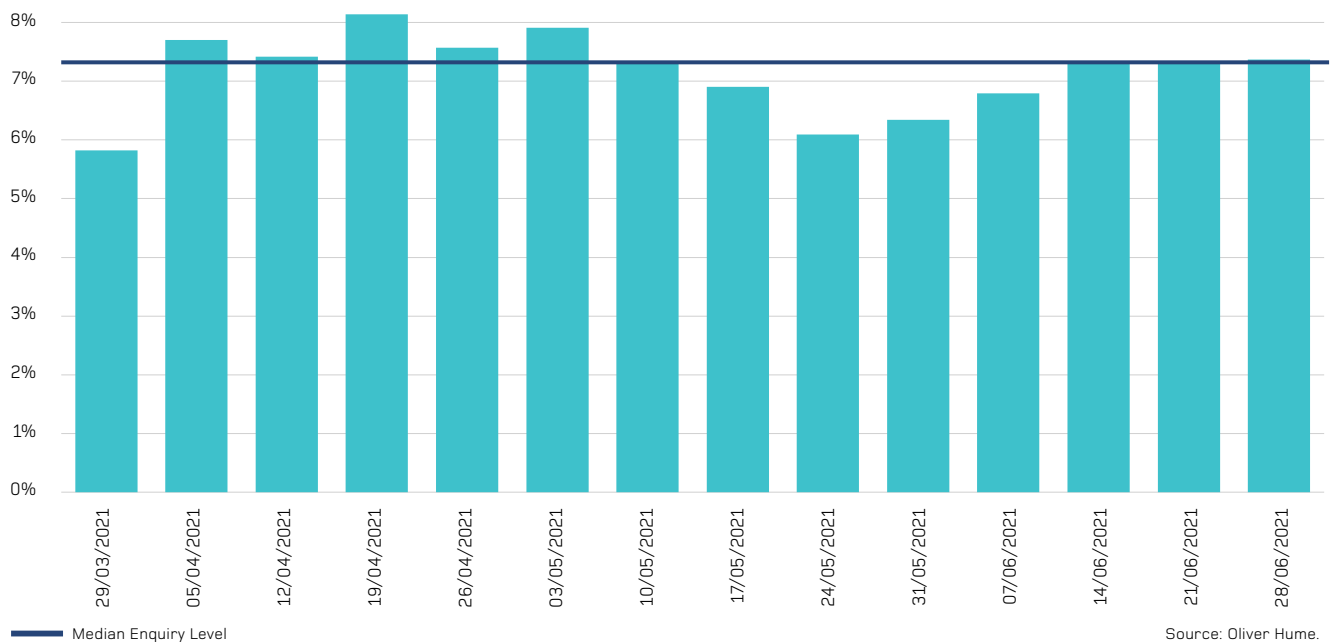
BUYER PROFILES

Consumer demand

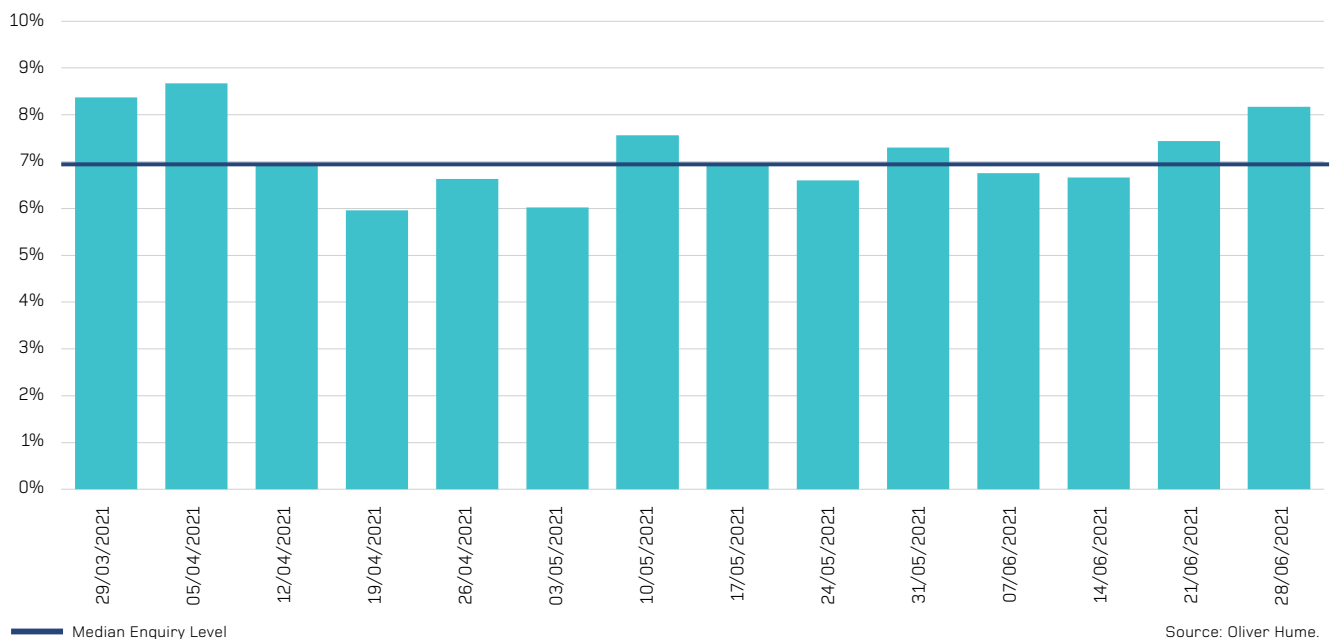
Victoria's demand by way of enquiry remained strong in the June Quarter. It came as a surprise as many believed that things would trend downwards due to grants and stimulus at both Federal and State level closeout.

Previously we forecast lockdowns to have a material impact on the market demand. Yet, as Victorians climatized to a digital era, enquiry continued even when sales offices partially or fully closed.

Enquiries in the June Quarter by Week (VIC)



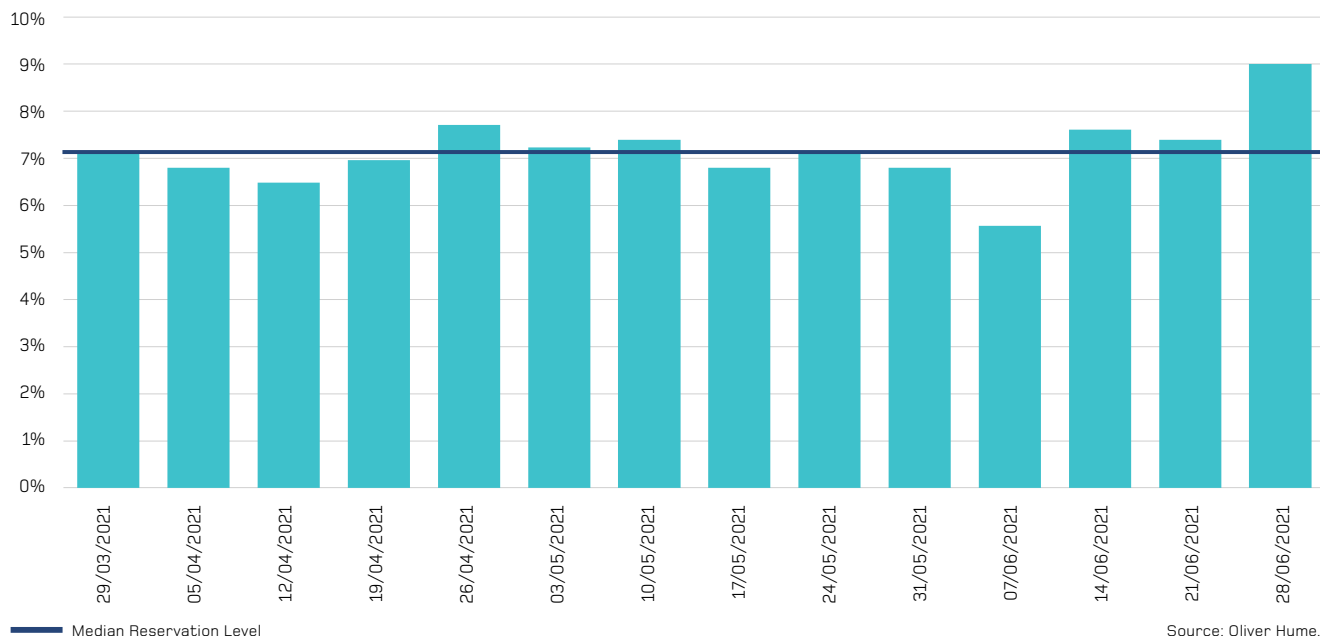
Enquiries in the June Quarter by Week (QLD)



The final two quarters in 2021 will set the tone for what is to come in 2022. With borders shut for the foreseeable future and overseas migration coming to a grinding halt, it will be up to locals, both owner-occupiers and investors, to keep the market ticking over.

Reservations in Victoria continued their stellar performance as demand met the supply coming to market in most corridors.

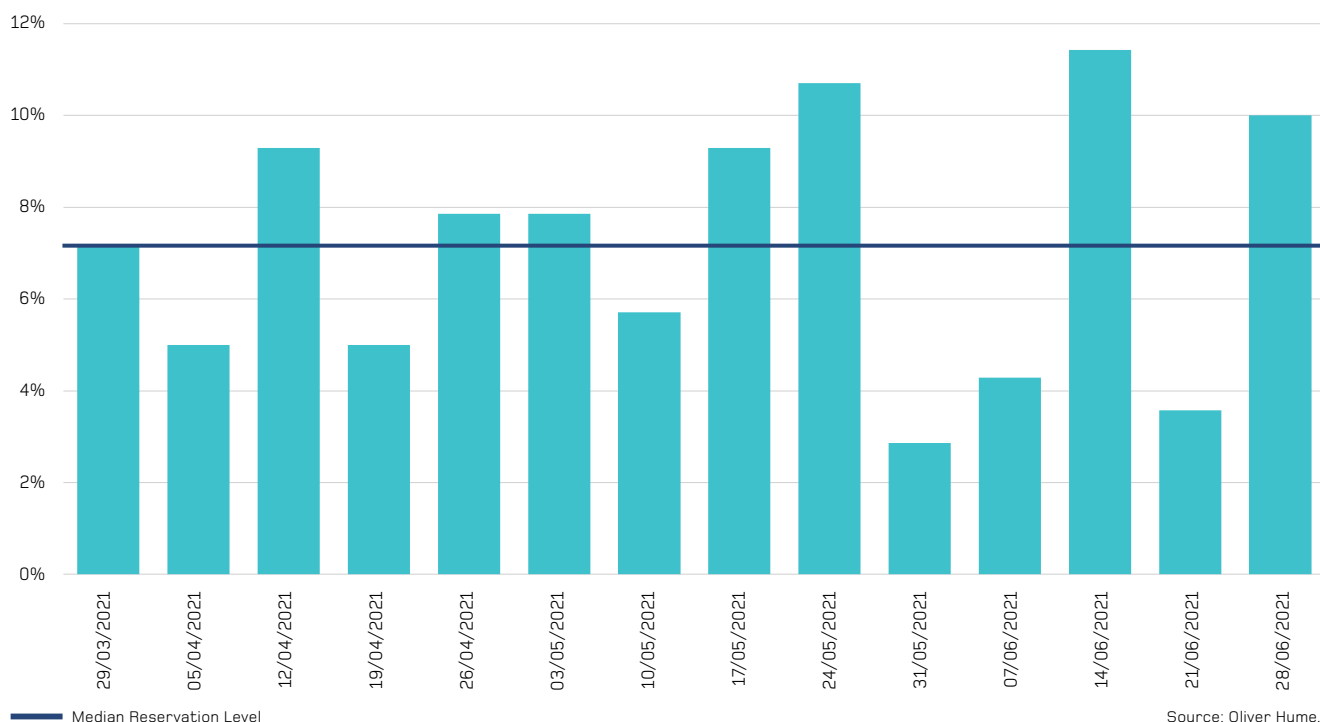
Reservations in the June Quarter by Week (VIC)



Whilst demand in South East Queensland was strong, supply remained erratic, putting pressure on land releases throughout the corridor. With new projects and stages coming to market later into 2021, there may be a chance to play catch up with the demand that has pent up over the earlier parts of this year.

If the trend continues with lockdowns in other parts of the country, land and new homes will be contested by those seeking new pastures in Queensland.

Reservations in the June Quarter by Week (QLD)





An aerial photograph of a city, likely Victoria, British Columbia. The image shows a mix of urban development and green space. In the upper left, there are several tall, modern skyscrapers. A river flows through the middle of the city. To the right of the river is a large, modern stadium with a distinctive, curved roof. The foreground is dominated by a large, green park area with many trees, some of which have autumn-colored foliage. A large, white, circular graphic is overlaid on the left side of the image, containing the text "2.0 VICTORIA".

2.0 VICTORIA



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2.1

MARKET DRIVERS

Economy

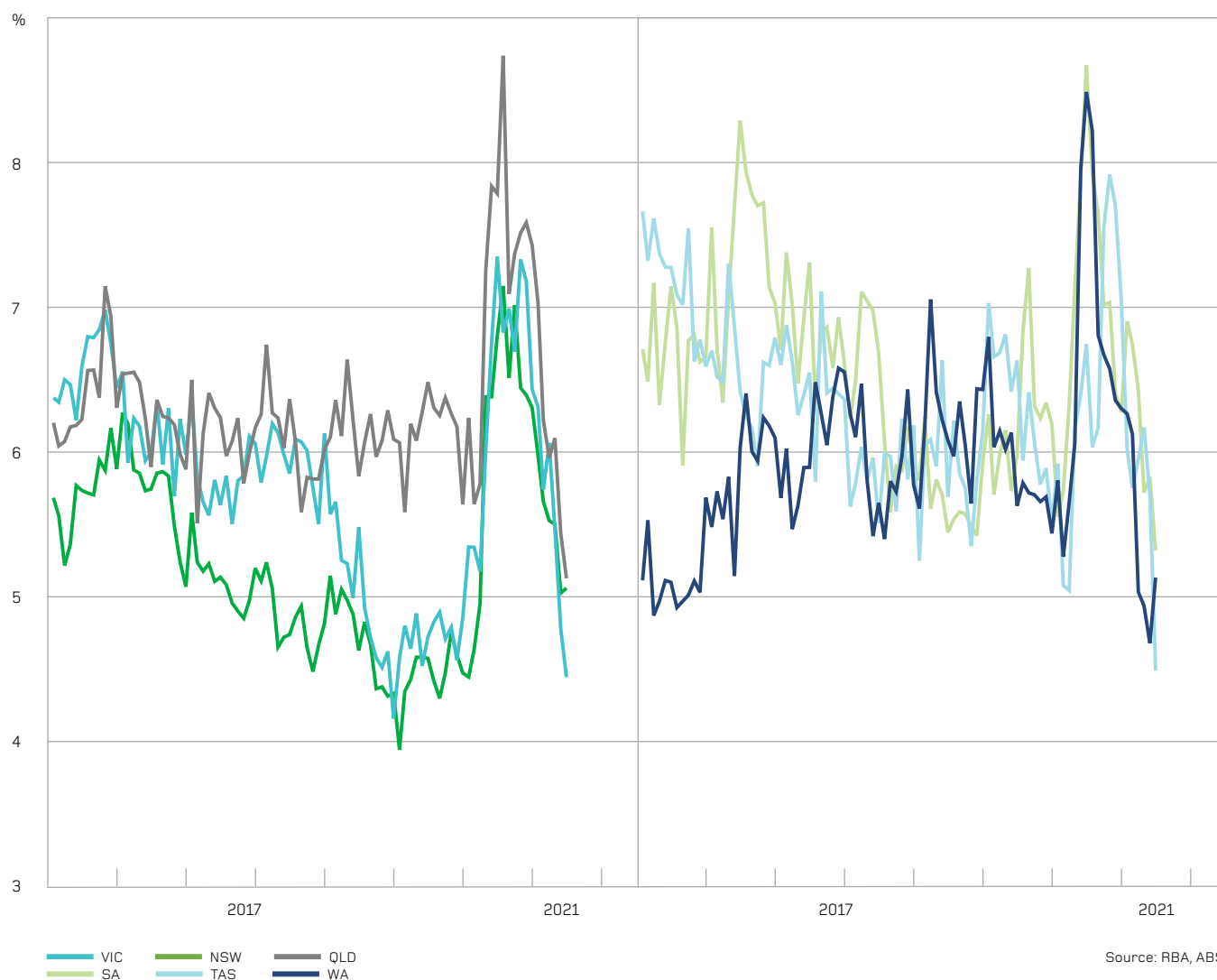
The Victorian economy continues to recover from the impacts of COVID-19 and related restrictions.

The state's unemployment declined again in June 2021 (to 4.4% on a seasonally adjusted basis) from the previous month.

Despite renewed lockdowns in various parts of the country, including in Victoria, unemployment is forecast to edge lower over the medium-term.

On a national basis, the unemployment rate declined to 4.9% in June 2021 (seasonally adjusted).

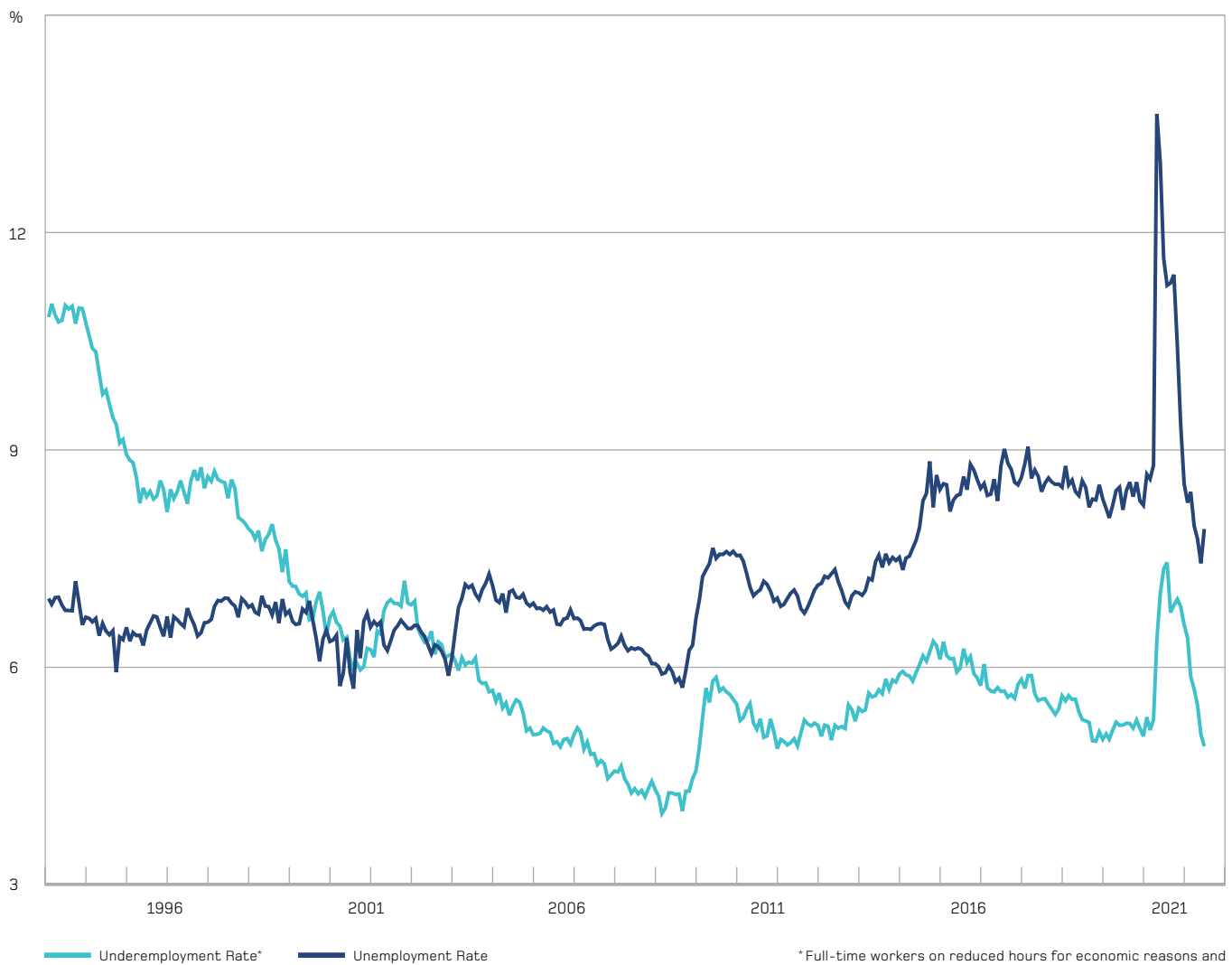
State Unemployment Rates (%)





Alluvium - New Oliver Hume project. Artist impression.

Labour Underutilisation Rates (Heads-Based)



2.1

MARKET DRIVERS (CONT.)

Population

Victoria's population growth remains subdued due to international border closures and negative net interstate migration.

Over the year ending 30 December 2020 Victoria's population remained largely unchanged (around 6.6 million).

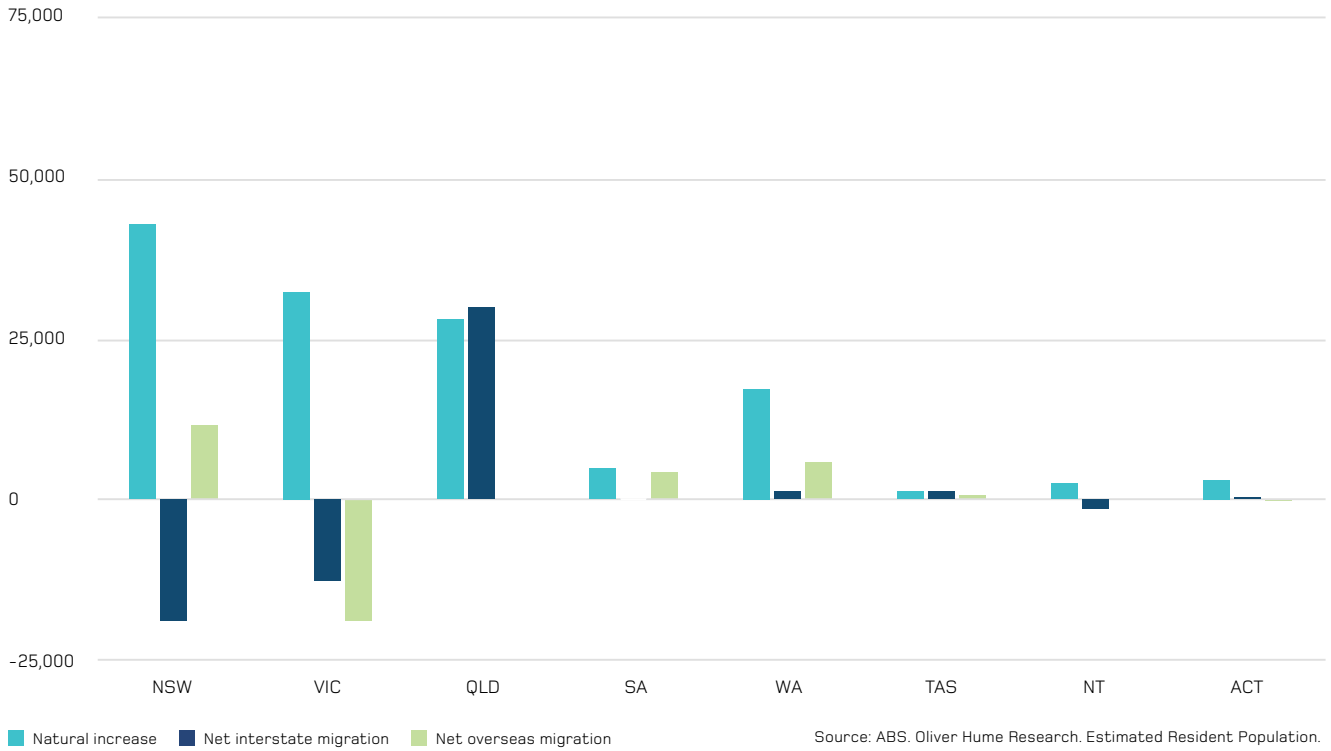
Population Change by State and Territory

Preliminary Data	Population at 31 Dec 2020 ('000)	Change over previous year ('000)	Change over previous year (%)
New South Wales	8,172.5	35.6	0.4
Victoria	6,661.7	0.7	0.0
Queensland	5,194.9	58.1	1.1
South Australia	1,770.8	9.4	0.5
Western Australia	2,670.2	24.5	0.9
Tasmania	541.5	3.2	0.6
Northern Territory	246.6	1.3	0.5
Australian Capital Territory	431.5	3.2	0.8
Australia (a)	25,694.4	136.3	0.5

(a) Includes Other Territories comprising Jervis Bay Territory, Christmas Island, the Cocos (Keeling) Islands and Norfolk Island.
Source: ABS, Oliver Hume Research.



Components of Annual Population Growth



Natural Increase by State and Territory

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
Births	95,460	73,543	59,490	18,526	32,426	5,780	3,752	5,369
Deaths	52,492	41,111	31,370	13,637	14,994	4,436	1,142	2,163
Natural increase	42,968	32,432	28,120	4,889	17,432	1,344	2,610	3,206

Interstate Migration by State and Territory

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
Interstate arrivals	87,140	65,958	101,217	23,833	29,201	12,668	13,720	20,442
Interstate departures	106,013	78,695	71,199	23,735	27,816	11,504	15,062	20,155
Net interstate migration	-18,873	-12,737	30,018	98	1,385	1,164	-1,342	287

Overseas Migration by State and Territory

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
Overseas arrivals	95,475	61,489	38,895	13,230	24,493	2,806	2,218	4,848
Overseas departures	83,962	80,439	38,919	8,816	18,773	2,077	2,142	5,100
Net overseas migration	11,513	-18,950	-24	4,414	5,720	729	76	-252

Source: ABS. Oliver Hume Research.

2.2

LAND MARKET

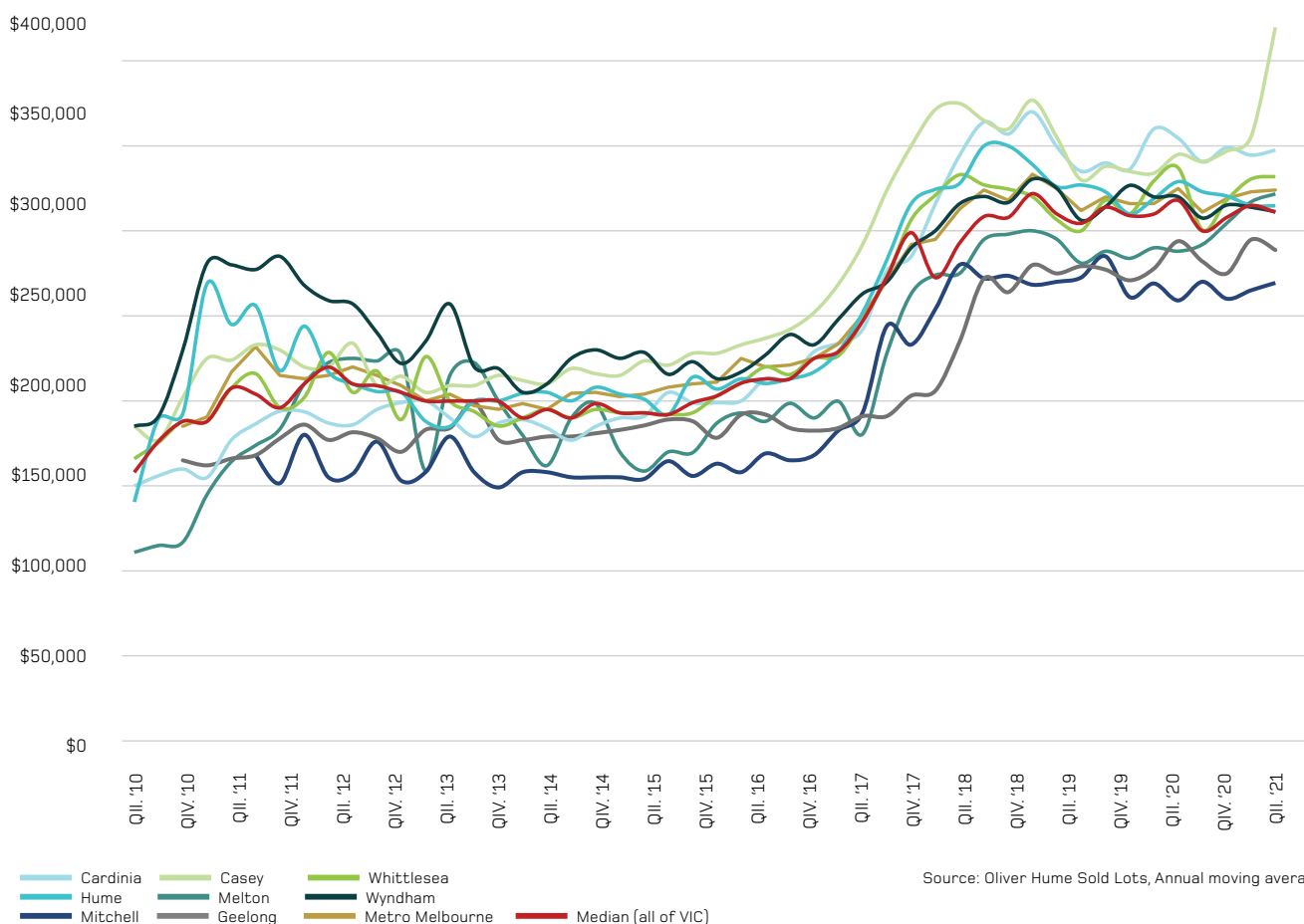
Prices

New residential land prices continued to rebound in the June quarter 2021 with most municipalities recording growth.

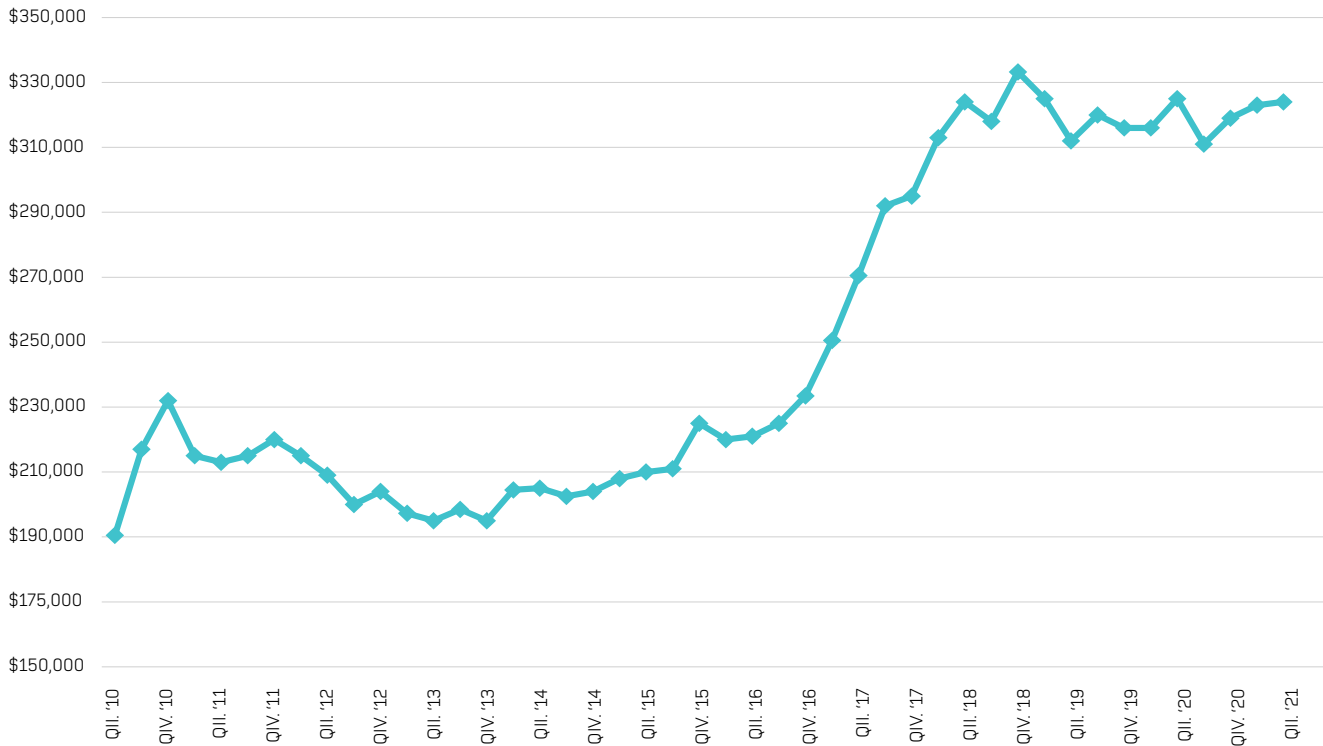
The median (gross) price of metropolitan Melbourne conventional lots increased from \$323,000 to \$324,000 (0.3%) in the June quarter 2021.

Prices are than the same time last year but below the record highs in late 2018.

Victorian Growth Area Median Land Prices (Sold)



Metropolitan Melbourne Growth Area Municipalities Median Land Prices (Sold)



Source: Oliver Hume Research. Sold Lots.

Victorian Median Lot Prices

Municipality	QII, '20	QIII, '20	QIV, '20	QI, '21	QII, '21	% Change (QoQ)	% Change (YoY)
Cardinia (S)	\$354,500	\$340,500	\$349,000	\$344,500	\$347,500	0.9%	-2.0%
Casey (S)	\$345,000	\$340,900	\$347,000	\$355,500	\$419,833	18.1%	21.7%
Geelong (W)	\$294,000	\$282,000	\$275,000	\$294,900	\$288,767	-2.1%	-1.8%
Hume (N)	\$329,000	\$323,000	\$320,500	\$315,000	\$314,800	-0.1%	-4.3%
Melton (W)	\$288,000	\$292,000	\$304,500	\$317,000	\$321,667	1.5%	11.7%
Mitchell	\$259,000	\$270,000	\$260,000	\$265,000	\$269,333	1.6%	4.0%
Whittlesea (N)	\$337,000	\$300,500	\$318,000	\$330,450	\$331,850	0.4%	-1.5%
Wyndham (W)	\$320,000	\$307,500	\$315,200	\$313,900	\$311,250	-0.8%	-2.7%
Metro Melbourne (All Growth Areas) - Conventional	\$325,000	\$311,000	\$319,000	\$323,000	\$324,000	0.3%	-0.3%
Metro Melbourne (All Growth Areas) - All Lots	\$325,000	\$313,000	\$319,000	\$320,000	\$321,667	0.5%	-1.0%
Median (All of Victoria)	\$318,000	\$300,000	\$308,000	\$315,000	\$311,000	-1.3%	-2.2%

Source: Oliver Hume Research.

2.2

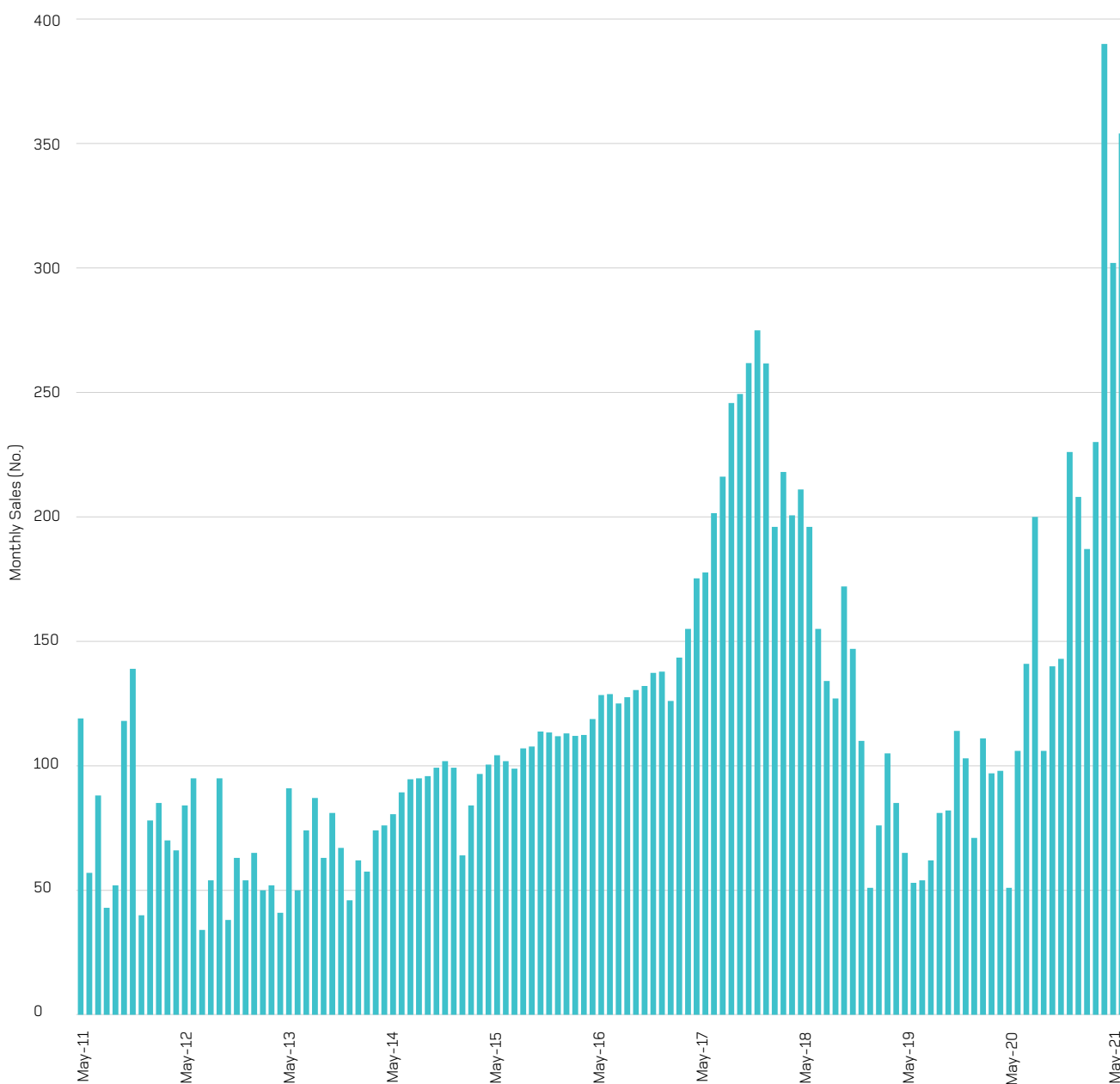
LAND MARKET (CONT.)

Sales Volumes

Land sales remain robust underpinned by low interest rates and demand from various market segments including upgraders, investors and first home buyers.

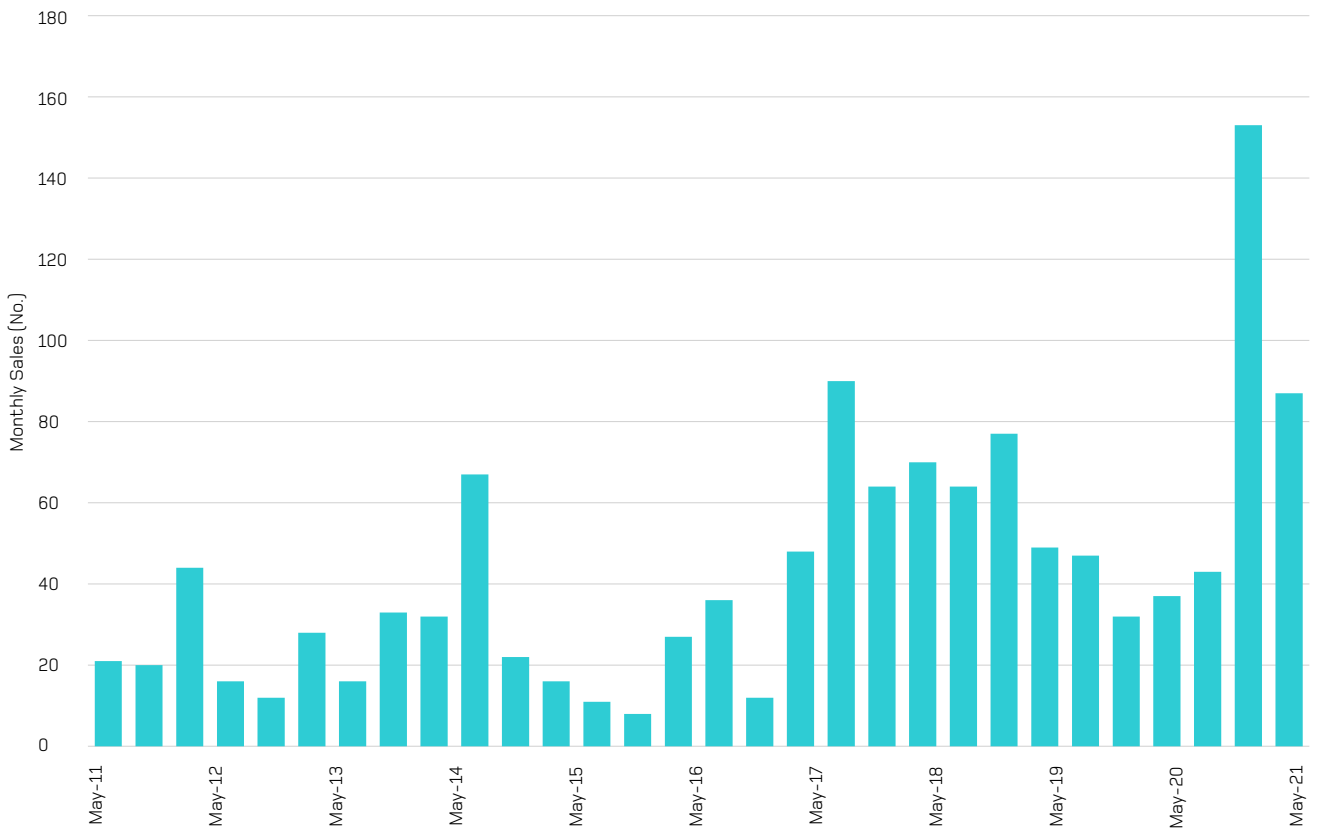
Regional markets have seen amongst the strongest growth driven by the ongoing shift to working from home, changing consumer preferences and relatively more affordable product.

Greater Geelong Land Sales (Monthly)



Source: Oliver Hume Research.

Shire of Baw Baw Land Sales (Monthly)

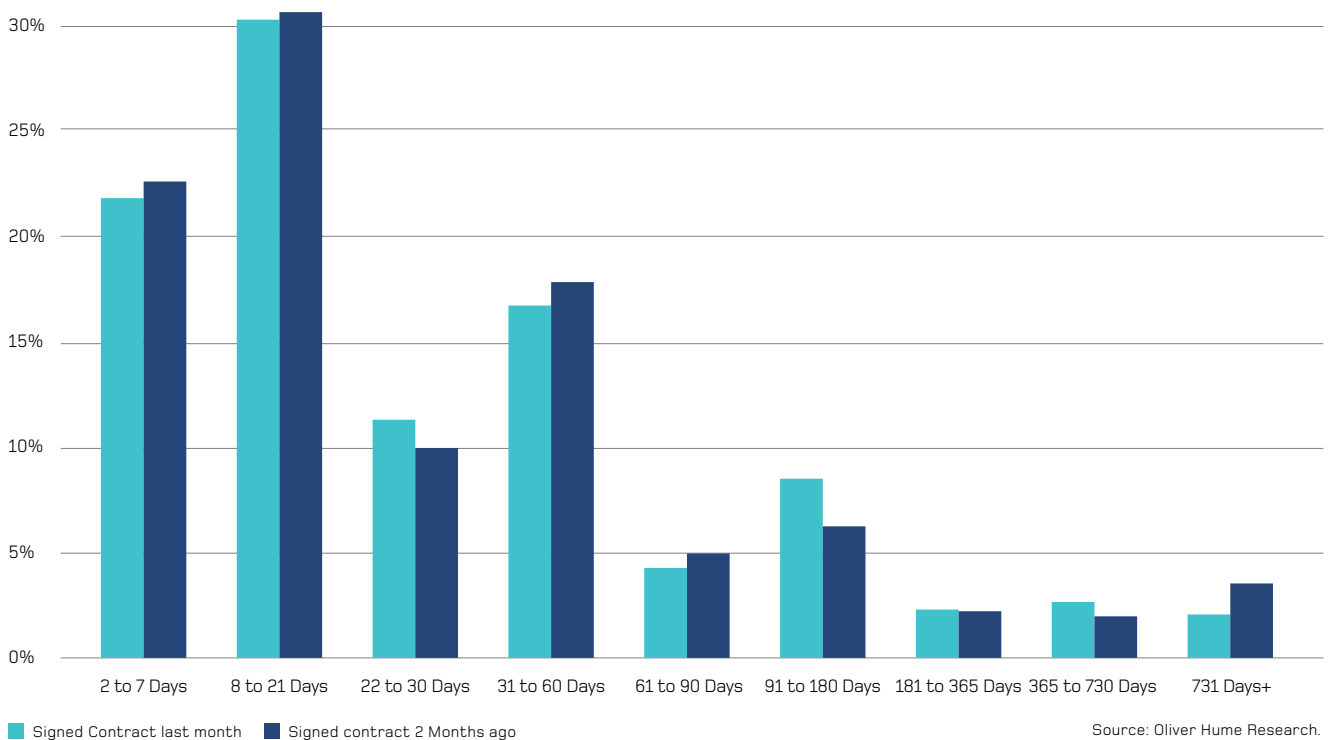


Source: Oliver Hume Research.

Purchasers are buying lots soon after release reflecting a range of factors including robust underlying demand, low interest rates and fear of missing out.

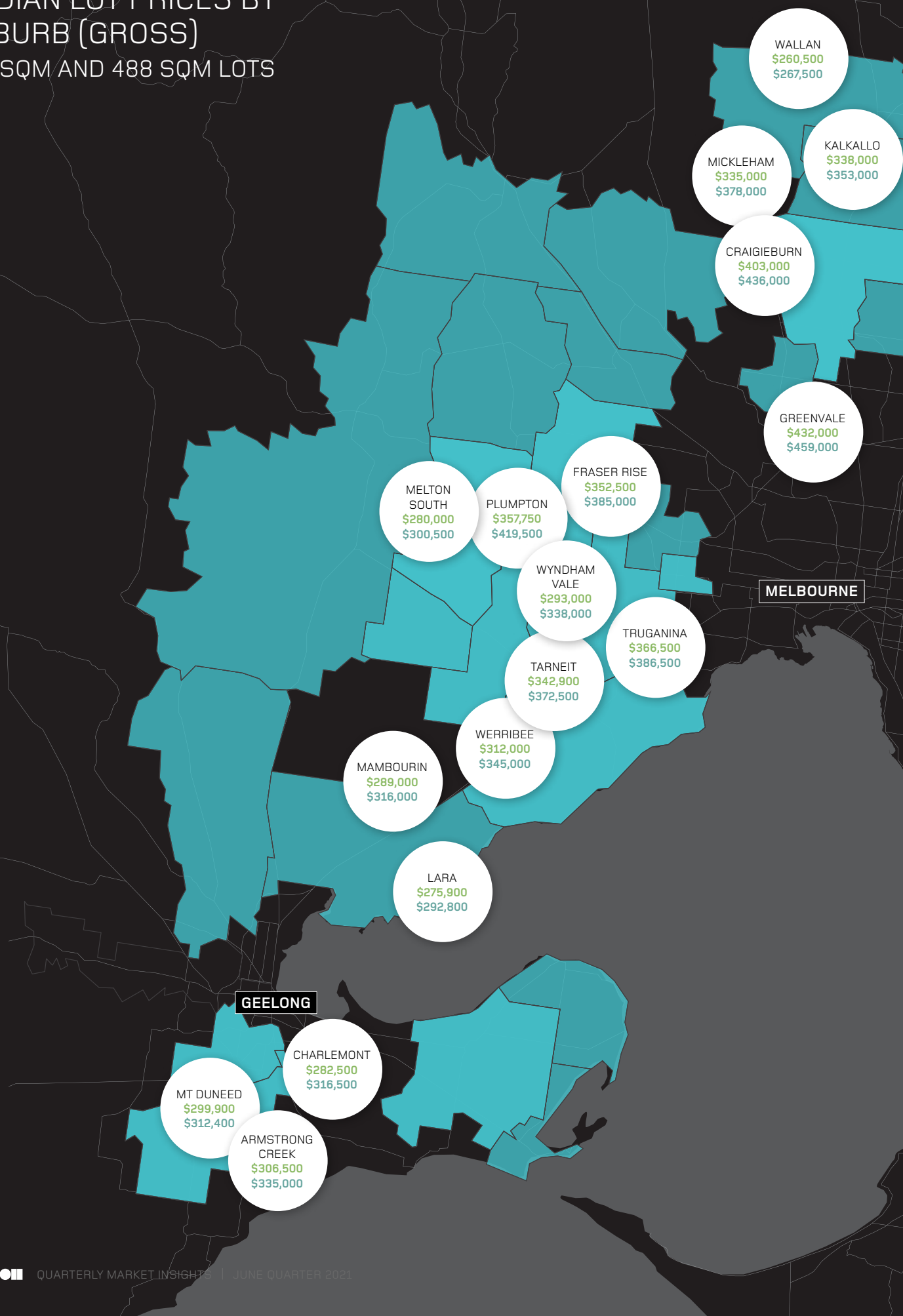
Over half of all buyers purchased within a month after enquiry. More than one in five purchased within the first week after enquiry and just under a third of all buyers purchased between 8 and 21 days.

Time from Enquiry to Purchase



Source: Oliver Hume Research.

JUNE QUARTER 2021 MEDIAN LOT PRICES BY SUBURB (GROSS) 400 SQM AND 488 SQM LOTS



METROPOLITAN MELBOURNE

JUNE QUARTER 2021

MOST COMMONLY SOLD LOTS

12.5x28m
12.5 x 32m

MEDIAN SIZE

400 sqm

MEDIAN PRICE

\$324,000

VALUE RATE

\$819 per sqm

BEVERIDGE
\$275,000
\$289,000

WOLLERT
\$351,000
\$382,900

BERWICK
\$522,000
\$548,000

CRANBOURNE
EAST
\$359,600
n/a

CRANBOURNE
\$480,000
n/a

CLYDE NORTH
\$440,000
\$475,000

BOTANIC
RIDGE
\$404,000
\$429,000

● 400 sqm Median Price

● 448 sqm Median Price

Source: Oliver Hume Research. Sold.

2.3

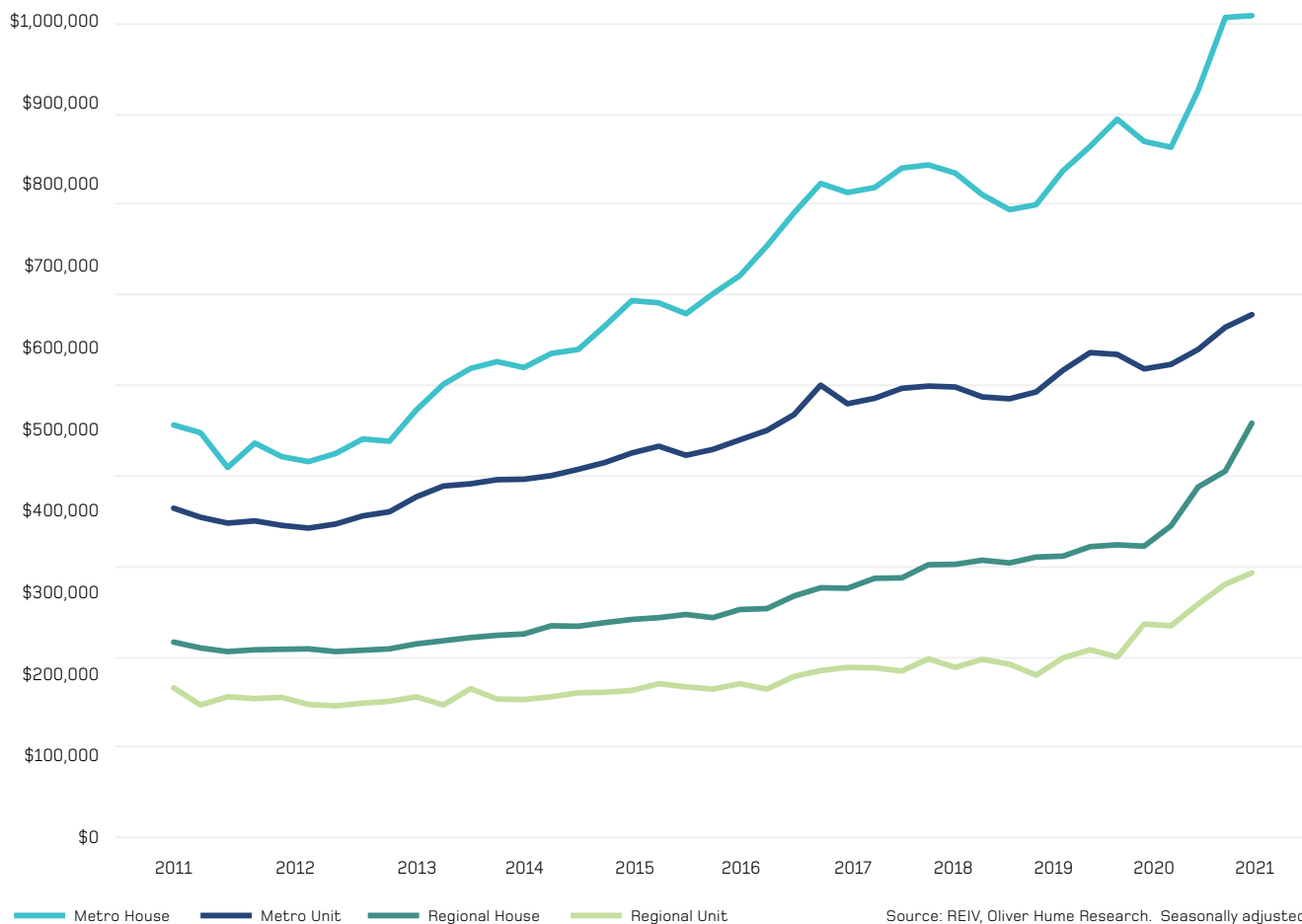
APARTMENTS
AND TOWNHOUSES

Market Indicators

The Real Estate Institute of Victoria (REIV) reports that unit and apartment prices for metropolitan Melbourne rose in the June quarter 2021 (2.1%) to be higher on an annual basis (4.8%). Unit and apartment price growth was greater than that of houses which increased by just 0.2% over the quarter (to reach \$1,008,000).

Over the year, Melbourne house prices were up 11.7%. Recent price trends may be indicative of buyers gradually shifting to units and apartments which remain more affordable than detached houses.

Metropolitan Melbourne Median Prices





June Quarter 2021 Median Prices

	Jun-21 Quarter	Mar-21 Quarter	Quarterly Change	Annual Change
Metropolitan Melbourne				
House	\$1,010,000	\$1,008,000	0.2%	11.7%
Unit and Apartment	\$679,500	\$665,500	2.1%	4.8%
Regional Victoria				
House	\$559,500	\$506,500	10.5%	19.0%
Unit and Apartment	\$394,000	\$381,500	3.3%	17.7%
Inner Melbourne				
House	\$1,750,000	\$1,651,500	6.0%	9.0%
Unit and Apartment	\$655,000	\$642,500	1.9%	2.4%
Middle Melbourne				
House	\$1,191,000	\$1,163,500	2.4%	9.9%
Unit and Apartment	\$760,000	\$752,000	1.1%	5.4%
Outer Melbourne				
House	\$806,500	\$766,500	5.2%	10.6%
Unit and Apartment	\$621,500	\$592,500	4.9%	9.7%
Auctions				
House	\$1,181,000	\$1,193,500	-1.0%	15.5%
Unit and Apartment	\$755,000	\$742,000	1.8%	4.4%
Private Sale				
House	\$856,000	\$848,500	0.9%	10.5%
Unit and Apartment	\$610,500	\$608,500	0.3%	5.2%

Source: REIV, Oliver Hume Research. Seasonally adjusted.

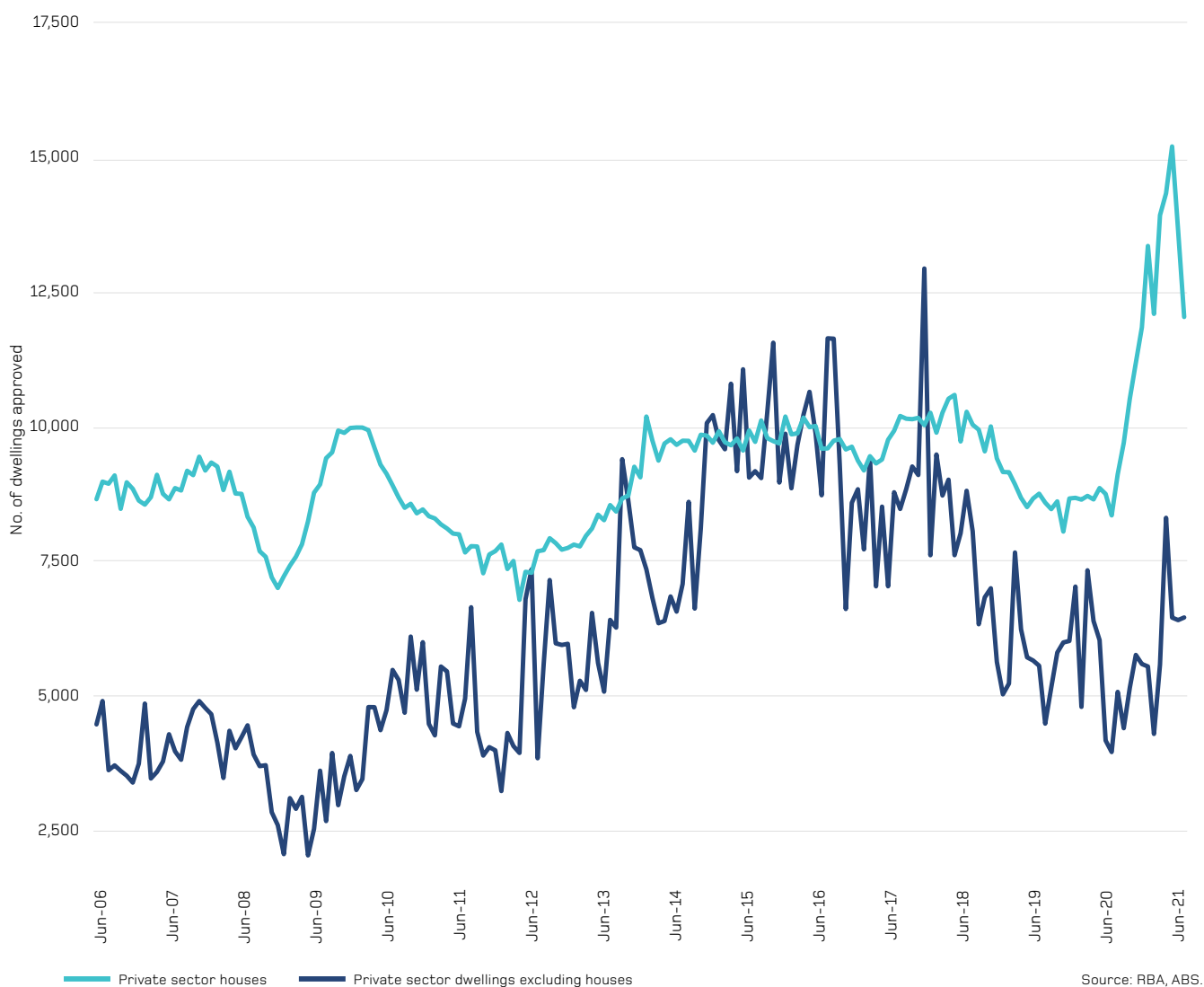
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APARTMENTS
AND TOWNHOUSES (CONT.)

Market Trends

A combination of factors, including record low interest rates and the HomeBuilder incentive, has driven a significant increase in the supply pipeline for separate houses. The supply pipeline for non-house dwellings remains well below recent highs although approvals for these dwellings have increased recently.

National dwellings approved, by building type, seasonally adjusted



The outlook for the apartment sector, in particular, remains mixed over the short to medium term. There are, however, some positive signs emerging. Key trends and highlights include:

- Rental conditions in the Melbourne apartment market appears to have stabilised despite ongoing border closures. Border closures have meant that key apartment occupier groups, especially international students and visitors, have been unable to enter the country
- Vacancy rates remain above long-term average levels, especially in inner city apartment markets. However, various apartment market indicators, such as asking rents and listings, suggest that the apartment market might have tightened in recent months. The improvement is partly due to lower apartment rents which remain competitive vis-à-vis house rents
- Apartment prices appear to be recovering but uncertainty remains about the short-term outlook. A gradual upswing in prices would be a strong signal to help drive future development and supply
- While the inner-city apartment market faces the most challenging demand conditions apartment markets in other locations, for example middle suburbs in metropolitan Melbourne, are faring better. This is partly due to lower stock levels in these locations and a more diverse buyer base (e.g., upgraders, downsizers etc)
- Apartment investors remain largely on the sidelines. Although their return is not expected in the short-term, the return of investors more broadly to various other residential markets bodes well for the apartment sector over the medium-term.





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2.4

DEVELOPMENT SITES

COVID-19 is reshaping Australia's property markets as buyers, developers and other industry stakeholders adjust to working from home, lockdowns, social distancing and the myriad of other changes we have observed since early 2020.

The increased popularity of regional property is perhaps one of the most enduring characteristics of the current era.

Locations beyond our capital cities are now enjoying significantly higher levels of buyer interest and, in some cases, levels of demand never previously observed before.

Although regional locations with easy access and in relative proximity to capital cities are seeing amongst the greatest levels of demand, more distant regional centres are also enjoying stronger interest. This is especially the case when these locations have one or more key competitive advantages including a sizeable employment base or critical mass, attractive lifestyle and residential living options and good infrastructure.

The increased importance of lifestyle considerations and an apparent shift in buyer preference towards residential living options is key. Popular coastal / sea-change and tree-change locations have become even more popular with both the traditional retiree / downsizer markets and, increasingly, working age buyers including families, couples and singles.

Time will tell how regional markets will fare. However, some developers are moving quickly to capitalise on the shift underway and fully appreciate that the increased popularity of regions is not temporary but will persist in some way.

The degree to which the shift to regional property will persist will be driven by a range of factors. These include the use and adoption of technology (and the development of new technology in the future), business approaches and government policy towards working from home and how we deal with COVID-19 (and how quickly).

Although larger regional cities closer to Melbourne are expected to be key beneficiaries of this shift in demand, it is possible, if not likely, that smaller towns and settlements will also see greater buyer interest.

Indeed, we are already seeing some signs of this.

Smaller regional centres and towns which are closer to larger regional centres - which are themselves close to metropolitan Melbourne such as Geelong, Ballarat, Bendigo and Warragul - could be the next frontier in regional property living.

Lifestyle buyers, those seeking greater affordability (e.g., price conscious first home buyers), upgraders looking for their 'forever' home, downsizers and empty nesters looking for an alternative to metropolitan living are but some of the potential buyers for these locations.

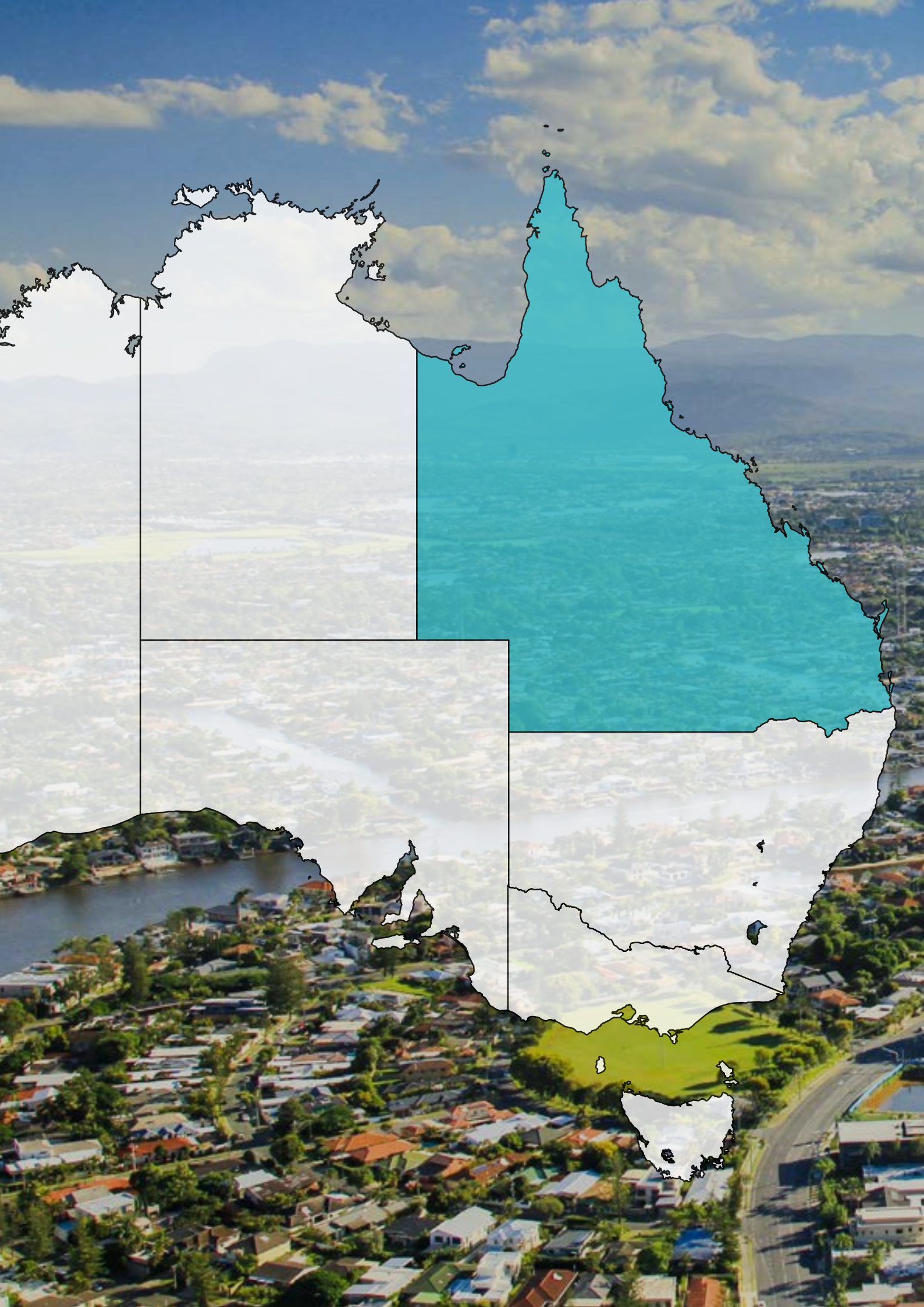
Moreover, these smaller regional centres and towns offer developers the opportunity to work in locations largely 'off the radar' to their competition but, increasingly, 'on the radar' to current and potential buyers.

The diversity of buyers now seeking regional residential property, combined with the range of potential locations beyond metropolitan Melbourne, offers developers several new opportunities.

This will be especially important going forward as greenfield residential property development attracts the attention of even more players seeking greater certainty compared to developing in markets which have been, overall, negatively affected by COVID-19 (for example, the retail and commercial office sectors and residential apartment development.)

In conclusion, we expect to see the price of regional residential englobo land continue to increase across several regional markets given the increased level of buyer interest in regional locations.





An aerial photograph of a coastal town, likely in Queensland, Australia. The foreground shows a dense residential area with houses, streets, and green spaces. A body of water is visible on the right side, with several boats docked. In the background, there are rolling hills and mountains under a blue sky with scattered white clouds. A large white circle is overlaid on the left side of the image, containing the text '3.0 QUEENSLAND'. Two vertical white rectangles are also overlaid on the right side of the image.

3.0 QUEENSLAND



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3.1

MARKET DRIVERS

Economy

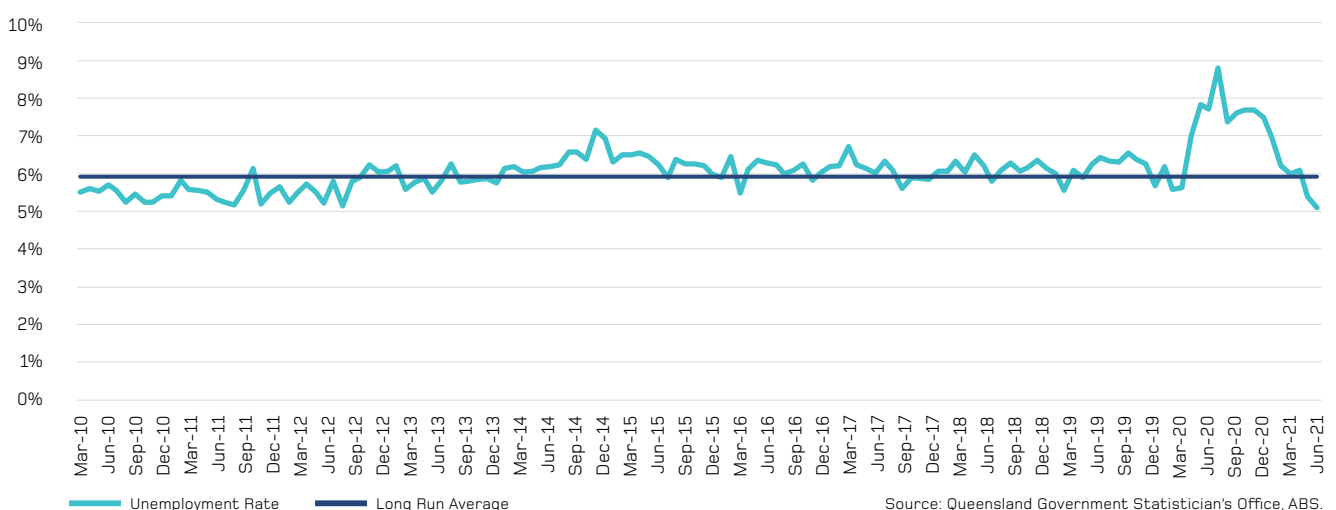
Queensland remains resilient despite the challenges of COVID-19 and associated restrictions. The state's economy has remained relatively strong and is supported by positive interstate migration which has driven retail spending and housing demand.

Interstate migration remains high as Queensland's economic recovery gains momentum, supporting businesses, families and communities across the state. The state continues to attract residents from across the nation as more Australians choose to move to the Sunshine state than any other state or territory.

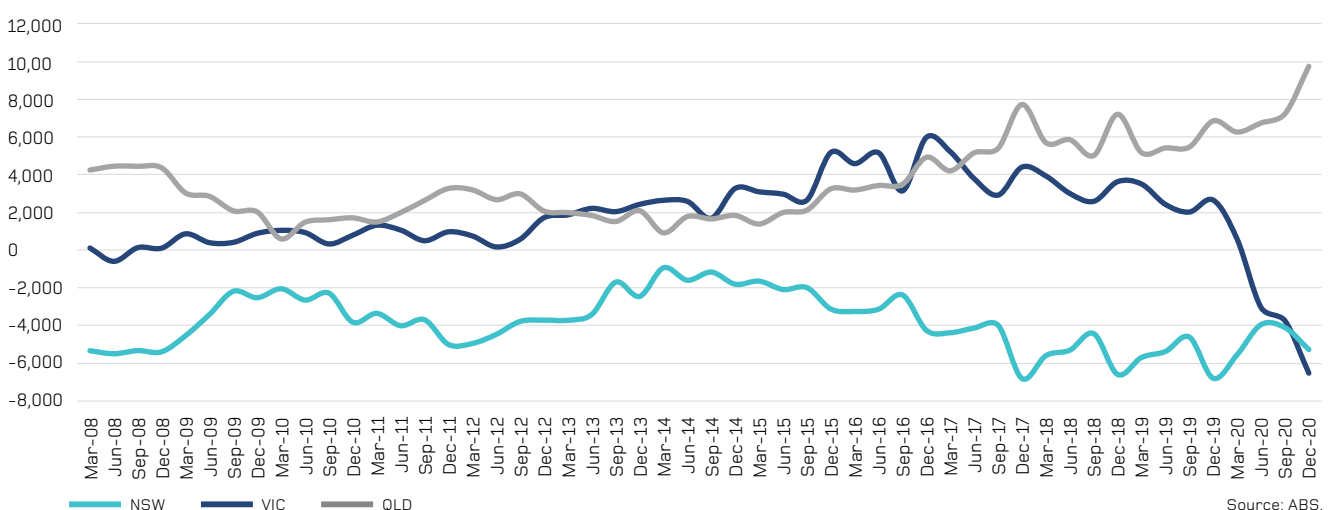
Housing demand continues to increase with home loan commitments up 74% on the 10-year average.

Significant investment into infrastructure and jobs growth has seen employment growth in Queensland remain strong. Queensland is leading national employment growth with both part time and full-time employment continuing to increase.

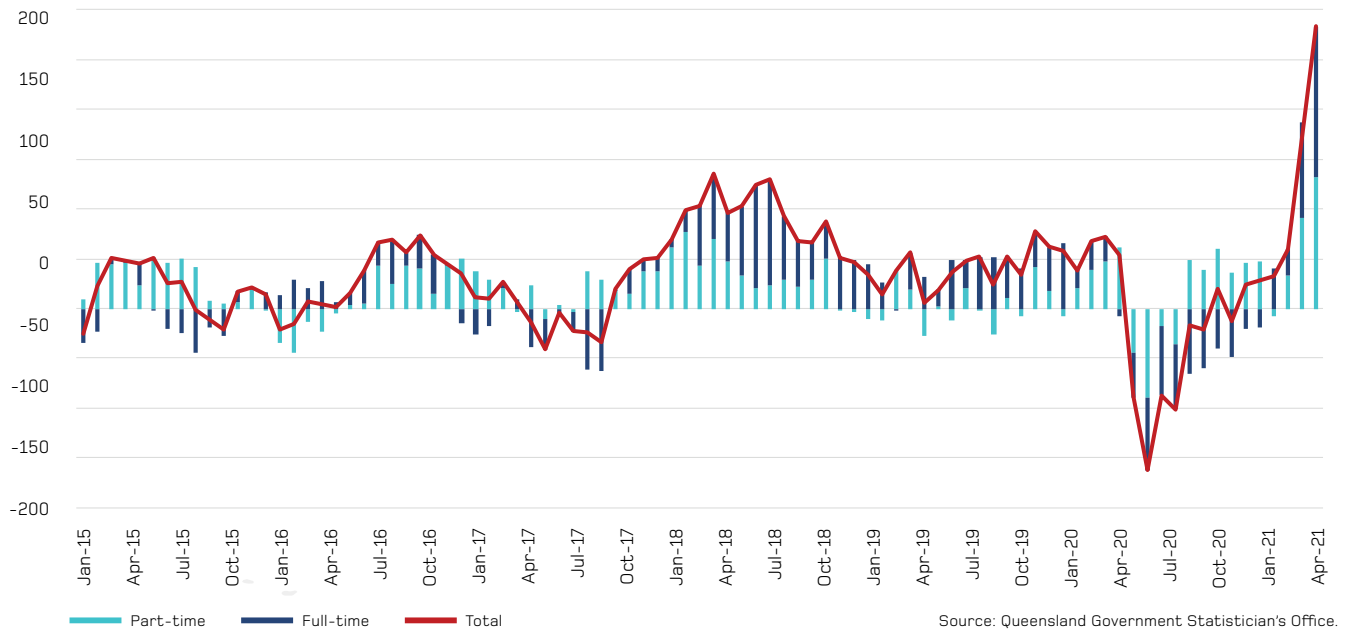
Queensland Unemployment Rate (%)



Net Interstate Migration (Quarterly)



Queensland Employment Growth



QUEENSLAND AT A GLANCE

STATE FINAL DEMAND
(Mar Qtr 21)

↑ **3.0%**

RETAIL TRADE
(May 21)

↑ **1.6%**

BUILDING APPROVALS
(May 21)

↓ **13.1%**

BUSINESS INVESTMENT
(Mar Qtr 20)

↓ **11.1%**

EXPORTS (GOODS OVERSEAS)
(May 21)

\$57.5b

INFLATION (CPI)
(Mar Qtr 20)

↑ **1.7%**

EMPLOYMENT GROWTH
(Jun 21)

↑ **0.6%**

EMPLOYED PERSONS
(Jun 21)

2.66m

UNEMPLOYMENT RATE
(Jun 21)

↑ **5.1%**

POPULATION
(Dec Qtr 20)

5.19m

Source: Queensland Government Statistician's Office.

3.2

LAND MARKET

Land Market

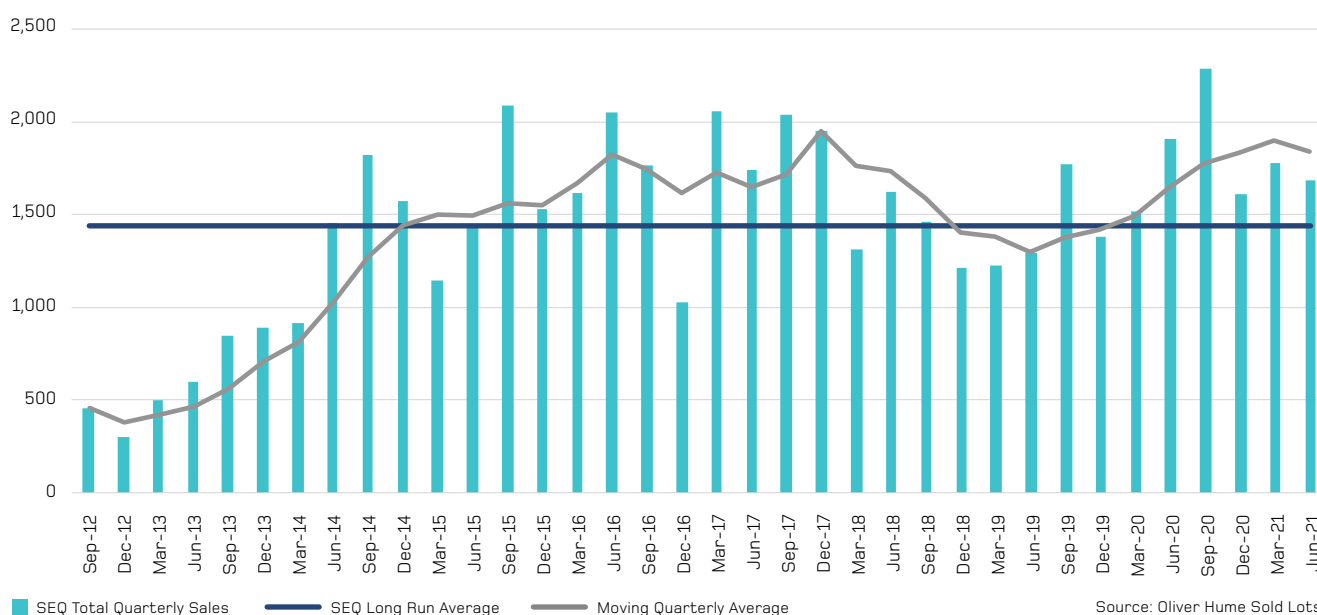
The South East Queensland land market remains resilient as the year hits the halfway mark. Although sales have softened slightly over the quarter, the market continues to outperform the long-term sales average.

The quarter started off slowly with the majority of stock that had been released in the March quarter 2021 being absorbed within the same quarter. Stock levels were replenished mid quarter with several releases temporarily easing demand pressures.

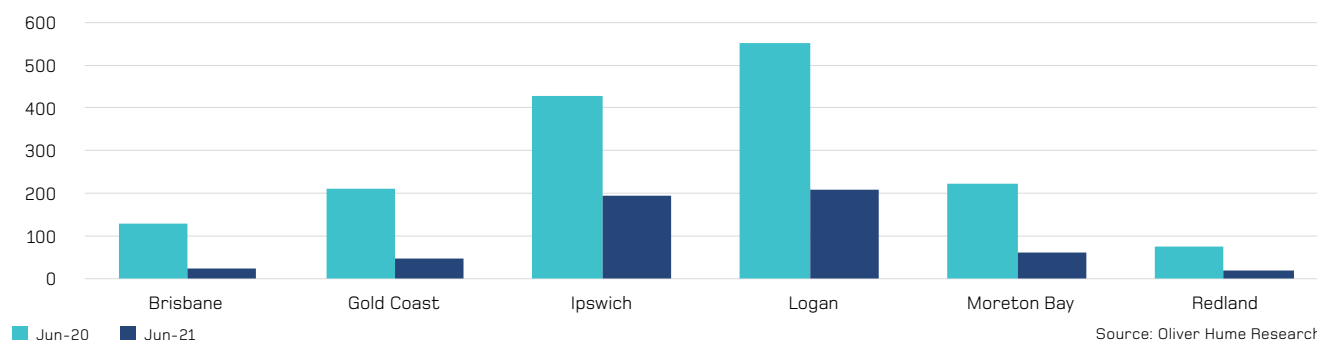
Lot availability continues to be one of the key drivers of sales numbers as the regions with the highest levels of stock dominate market share. By the end of June, four of the six South East Queensland growth corridors recorded under 100 lots available. The annual change in available stock dropped 66% across South East Queensland. The largest annual change occurred in the Brisbane LGA with around 82% less stock available.

The quarter has ended in a similar fashion to that of March quarter 2021 – low levels of stock and a build-up of demand. Overall sales numbers are likely to be dampened by the continued limitations of stock supply.

South East Queensland Project Land Sales



Available Stock Comparison – Growth Corridors



Market Share

The Logan LGA recorded the highest percentage of market share over the quarter, accounting for 36.8% of all sales in the June quarter. Stock availability once again impacted other regions of South East Queensland. This has been highlighted by the large shift in market share absorbed by the Gold Coast which accounted for 17.4% of sales (in last quarter the region only reflected 4.6% of sales made).

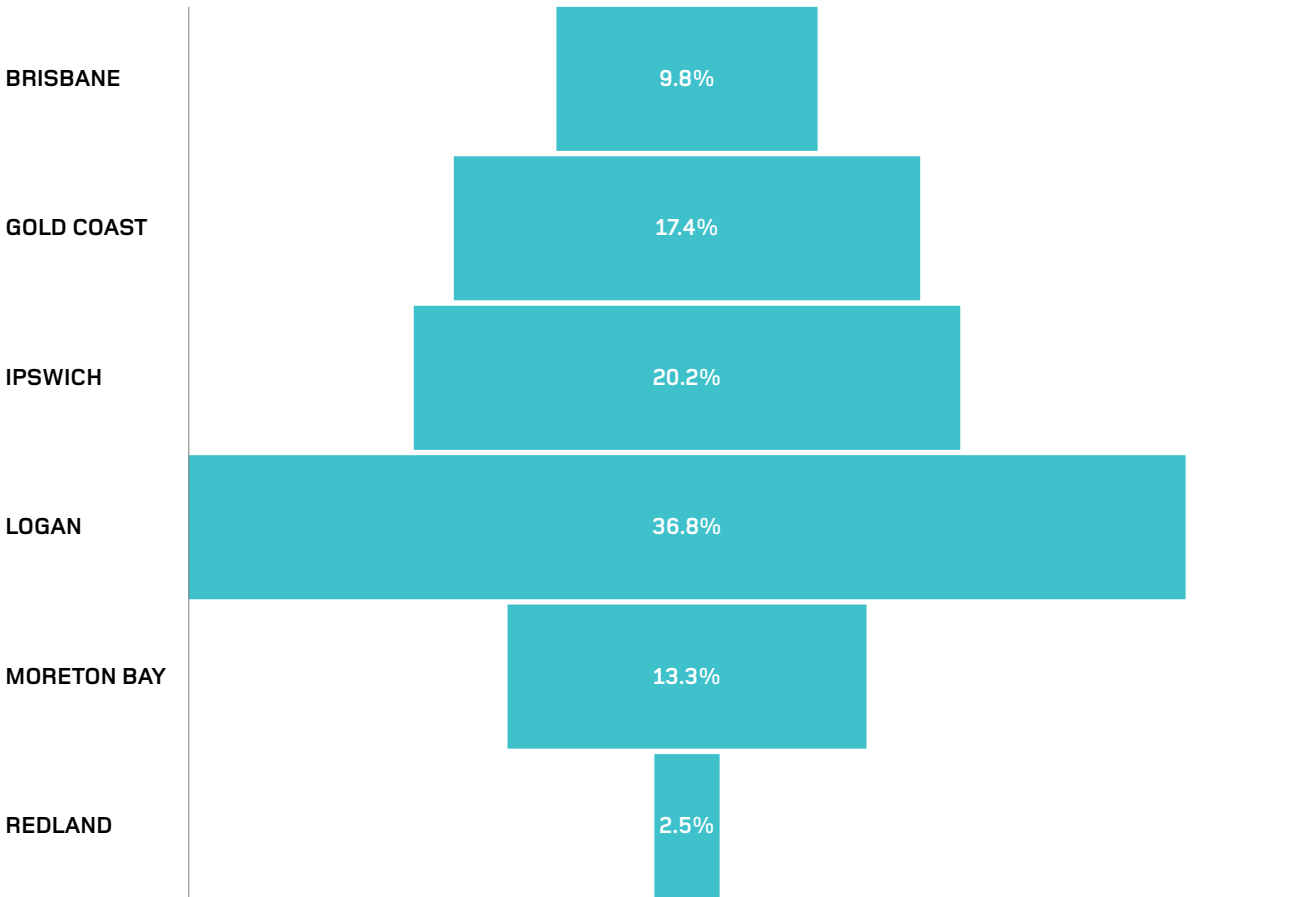
After a sustained period of limited stock availability on the Gold Coast, several long-awaited releases were offered to market, causing a 263% increase in sales rate compared to the previous quarter.

Growth Corridor Sales Market Share

Quarter	Brisbane Sales Market Share	Gold Coast Sales Market Share	Ipswich Sales Market Share	Logan Sales Market Share	Moreton Bay Sales Market Share	Redland Sales Market Share
Jun. '21	9.8%	17.4%	20.2%	36.8%	13.3%	2.5%
Mar. '21	12.5%	4.6%	23.3%	36.6%	21.1%	2.0%
Jun. '20	14.1%	8.4%	24.7%	24.9%	26.0%	1.8%

Source: Oliver Hume Research.

SEQ Project Land Sales | Market Share



Source: Oliver Hume Research.

3.2

LAND MARKET

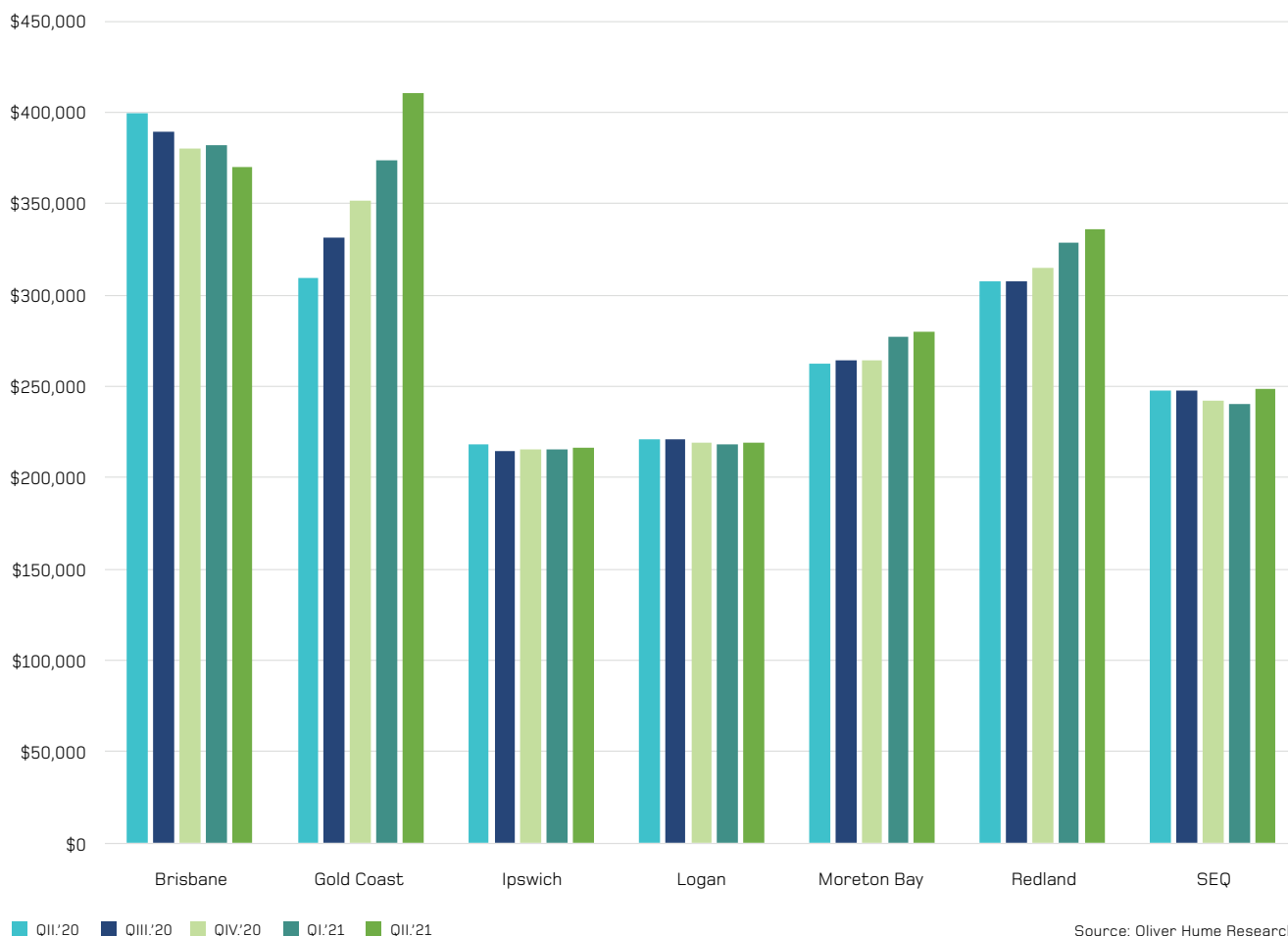
Median Price

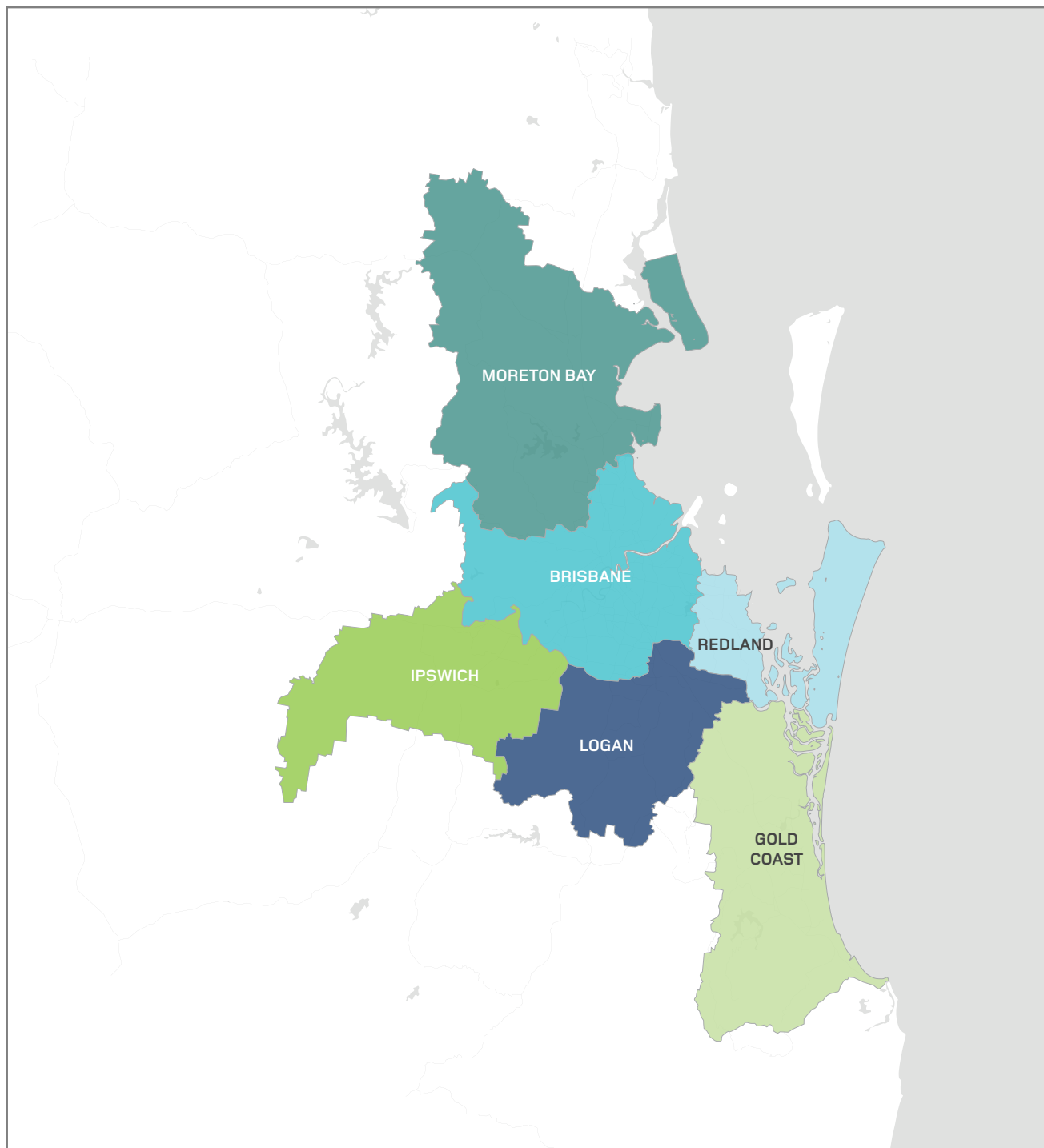
Overall, the South East Queensland median price increased over the quarter rising by 3.6% while remaining largely stable over the year (prices up 0.4%).

The pricing increase over the quarter is a direct result of the shift in sales market share (as more expensive regions took slightly higher market share than previous quarters). The March quarter 2021 saw Ipswich and Logan take majority shares. Both regions recorded median prices below \$220,000. While the June quarter 2021 saw major Gold Coast releases, many of these were premium sites which ensured a higher median.

All municipalities recorded increased median prices over the quarter, except for the Brisbane local government area. Most Brisbane sales occurred in the more affordable regions.

SEQ Median Lot Prices by Local Government Area





SEQ Median Land Prices by Local Government Area

LGA	QII: '21	QI: '21	QII: '20	QoQ	YoY	5yr Change
Brisbane (C)	\$369,725	\$382,225	\$399,500	-3.3%	-7.5%	-10.1%
Gold Coast (C)	\$411,038	\$374,175	\$309,850	9.9%	32.7%	59.4%
Ipswich (C)	\$216,300	\$215,313	\$217,925	0.5%	-0.7%	9.2%
Logan (C)	\$219,000	\$218,250	\$221,288	0.3%	-1.0%	11.8%
Moreton Bay (R)	\$280,000	\$277,188	\$262,125	1.0%	6.8%	16.7%
Redland (C)	\$335,938	\$328,938	\$308,000	2.1%	9.1%	4.9%
South East Queensland	\$249,000	\$240,250	\$248,000	3.6%	0.4%	7.0%

Source: Oliver Hume Research.

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LAND MARKET (CONT.)

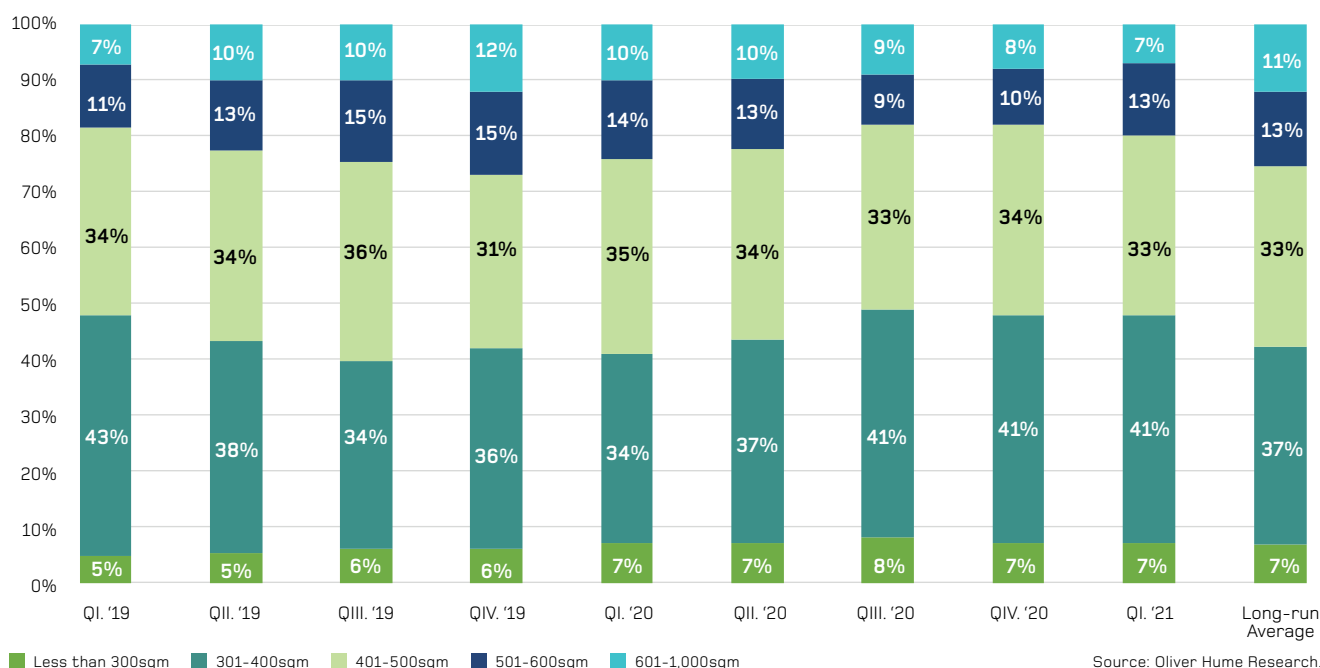
Median Lot Size

Across South East Queensland, 301-400 sqm lots remain the most common sold lot. Over the quarter 41% of sales occurred in this size range.

Over the year Brisbane and Redland saw the largest change in median size, an increase of 6.9% and 13.6% respectively.

The increase in the Redland LGA occurred due to the small data pool available, with only one active project remaining. Brisbane's median size increase can be attributed to the launch of several projects on the fringe of the LGA, allowing slightly larger block sizes.

SEQ Project Land Sales (0 – 1,000 sqm) Market Share by Product Type



SEQ Median Lot Sizes by Local Government Area (sqm)

LGA	QII. '21	QI. '21	QII. '20	QoQ	YoY	5 yr Change
Brisbane (C)	422	432	418	-2.3%	1.0%	-9.0%
Gold Coast (C)	431	425	428	1.5%	0.8%	-12.0%
Ipswich (C)	422	426	429	-0.9%	-1.7%	-4.3%
Logan (C)	402	406	421	-1.1%	-4.6%	-5.1%
Moreton Bay (R)	413	413	414	0.0%	-0.2%	-6.0%
Redland (C)	448	443	388	1.1%	15.5%	-2.8%
SEQ	409	413	419	-0.9%	-2.4%	-7.6%

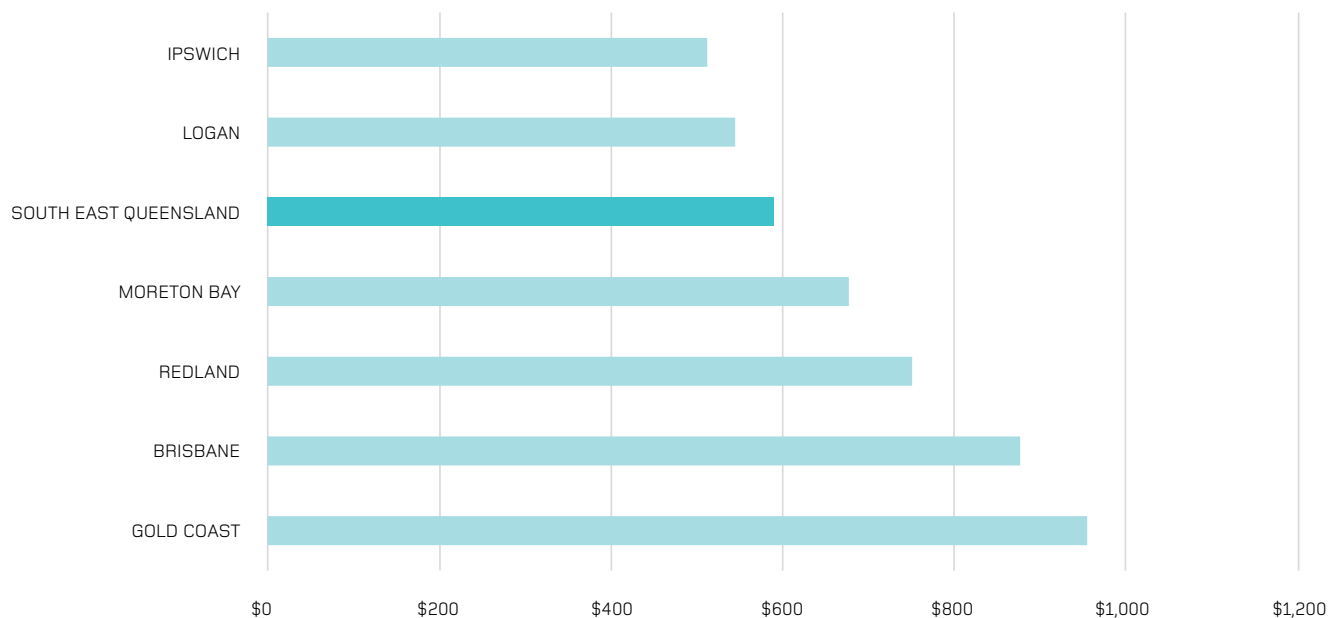
Source: Oliver Hume Research.

Value Rates

The South East Queensland value rate increased 1.9% over the quarter with median prices increasing in most regions, while the rate remained largely stable over the year (-0.4%).

Gold Coast saw the largest shift in value rate both quarterly (8.7%) and annually (31.7%). Most of the market remains dominated by premium lot offerings, while this time last year the market still held a large portion of affordable stock.

SEQ Project Land Sales (QII. '21) | Median Value Rate (\$ per sqm)



Source: Oliver Hume Research.

SEQ Median Value Rates by Local Government Area (\$/sqm)

LGA	QII. '21	QI. '21	QII. '20	QoQ	\$ Value Change (QoQ)	YoY	\$ Value Change (YoY)	5 yr Change	\$ Value Change (5Yr Change)
Brisbane (C)	\$876	\$901	\$955	-2.8%	-\$26	-8.3%	-\$80	-1.2%	-\$11
Gold Coast (C)	\$954	\$878	\$725	8.7%	\$76	31.7%	\$229	81.1%	\$427
Ipswich (C)	\$513	\$504	\$508	1.8%	\$9	1.0%	\$5	14.0%	\$63
Logan (C)	\$545	\$528	\$525	3.2%	\$17	3.8%	\$20	17.9%	\$83
Moreton Bay (R)	\$678	\$665	\$633	1.9%	\$13	7.1%	\$45	24.1%	\$132
Redland (C)	\$750	\$783	\$794	-4.2%	-\$33	-5.6%	-\$44	7.9%	\$55
SEQ	\$609	\$578	\$592	5.3%	\$31	2.9%	\$17	15.8%	\$83

Source: Oliver Hume Research.

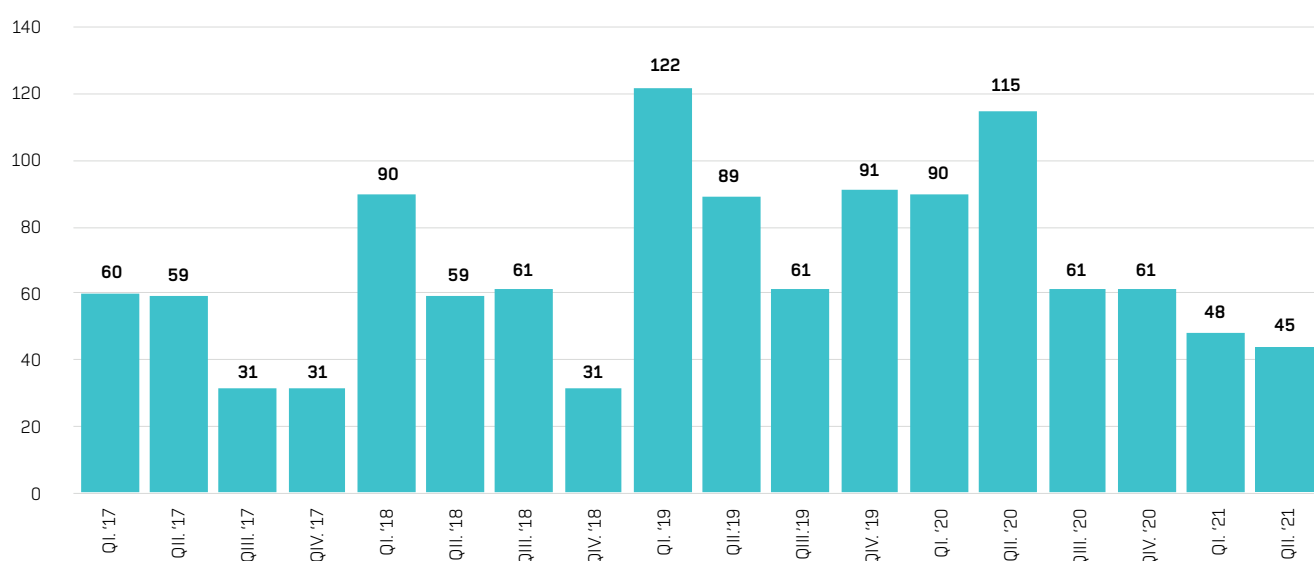
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Time on Market

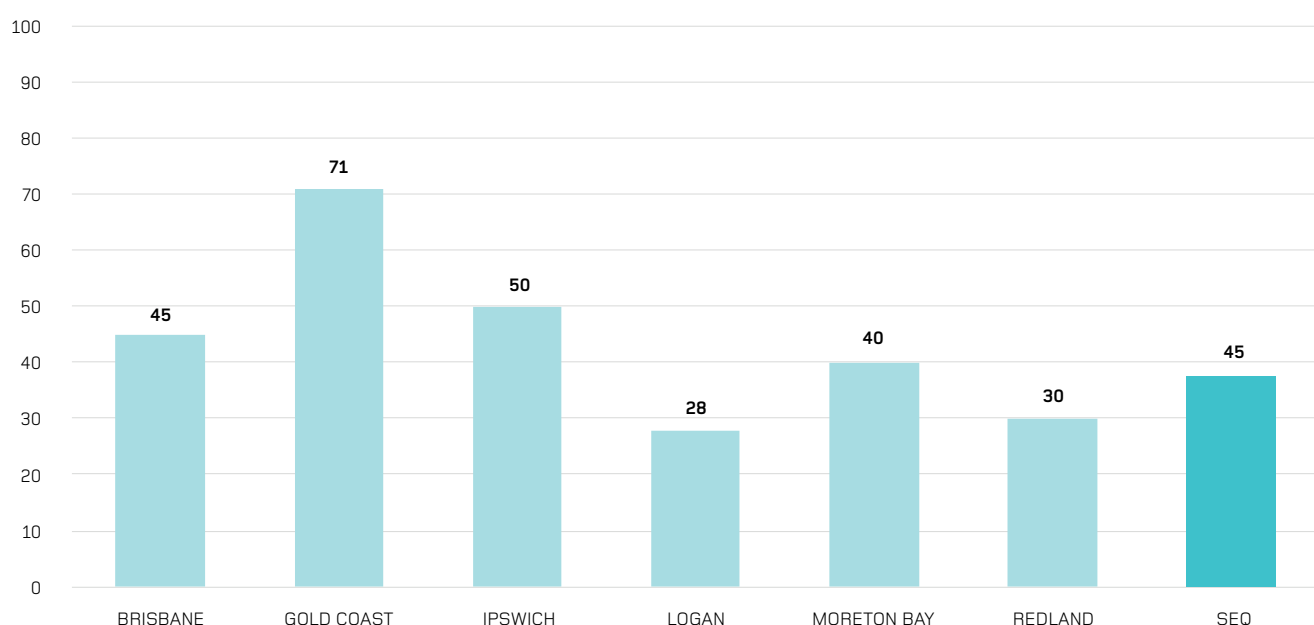
Lots across South East Queensland remain on market an average of 45 days. This has softened slightly over the quarter and is likely to continue to decline over the year as older stock that was less affordable continues to be absorbed. This is particularly relevant in the Gold Coast corridor.

SEQ New Residential Land – Median Time on Market (Days)



Source: Oliver Hume Research. Median data.

SEQ New Residential Land – Median Time on Market (Days)



Source: Oliver Hume Research.

SOUTH EAST QUEENSLAND

JUNE QUARTER 2021

MOST COMMONLY SOLD LOTS

**351–375 sqm
& 401–425 sqm**

MEDIAN SIZE

409 sqm

MEDIAN PRICE

\$240,975

VALUE RATE

\$589 per sqm

3.3

APARTMENTS
AND TOWNHOUSES**Brisbane**

Over the year the Brisbane apartment market returned a smaller increase in values in comparison to the housing market with only a 5.7% increase (compared to a 14.8% uplift for houses). Despite the lower growth for apartments, sales activity is continuing to trend significantly above the 5-year average. Transaction levels have not been at this level since the Global Financial Crisis in 2008.

The increased demand can be attributed, in part, to residents of the southern states migrating to Queensland to escape ongoing lockdowns. Southern buyers are snapping up some of the residual stock, which is less preferred by local buyers, but are also forcing local buyers to readjust the price they expect to pay with increased competition for more desirable apartments. Local agents have noticed that larger floorplans with side-by-side car parks are being quickly taken off the market.

Rising rental yields across Brisbane (up 2.8%) are helping to bolster the interest by investors. However, many buyers are owner occupiers and looking to relocate and/or upgrade. This is one of many factors which suggests that the Brisbane apartment market might be on its way to recovery.

The recent announcement of Brisbane's successful 2032 Olympic Bid will help drive further interest in the local residential housing and apartment market.

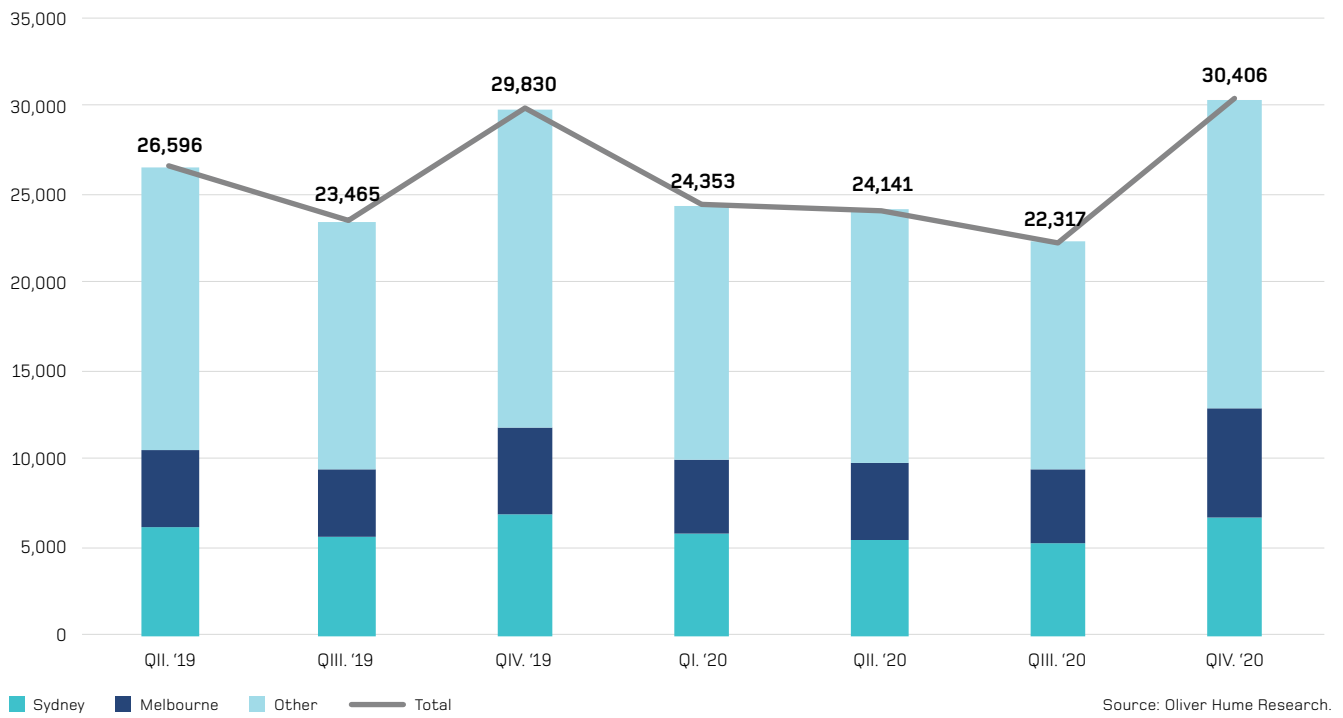
Gold Coast

The Gold Coast apartment market continues to buck the trend of declining high density apartment sales across the country. The market saw a substantial increase of major development site sales over 2020 and, in particular, for premium beachside sites further south (near the NSW border).

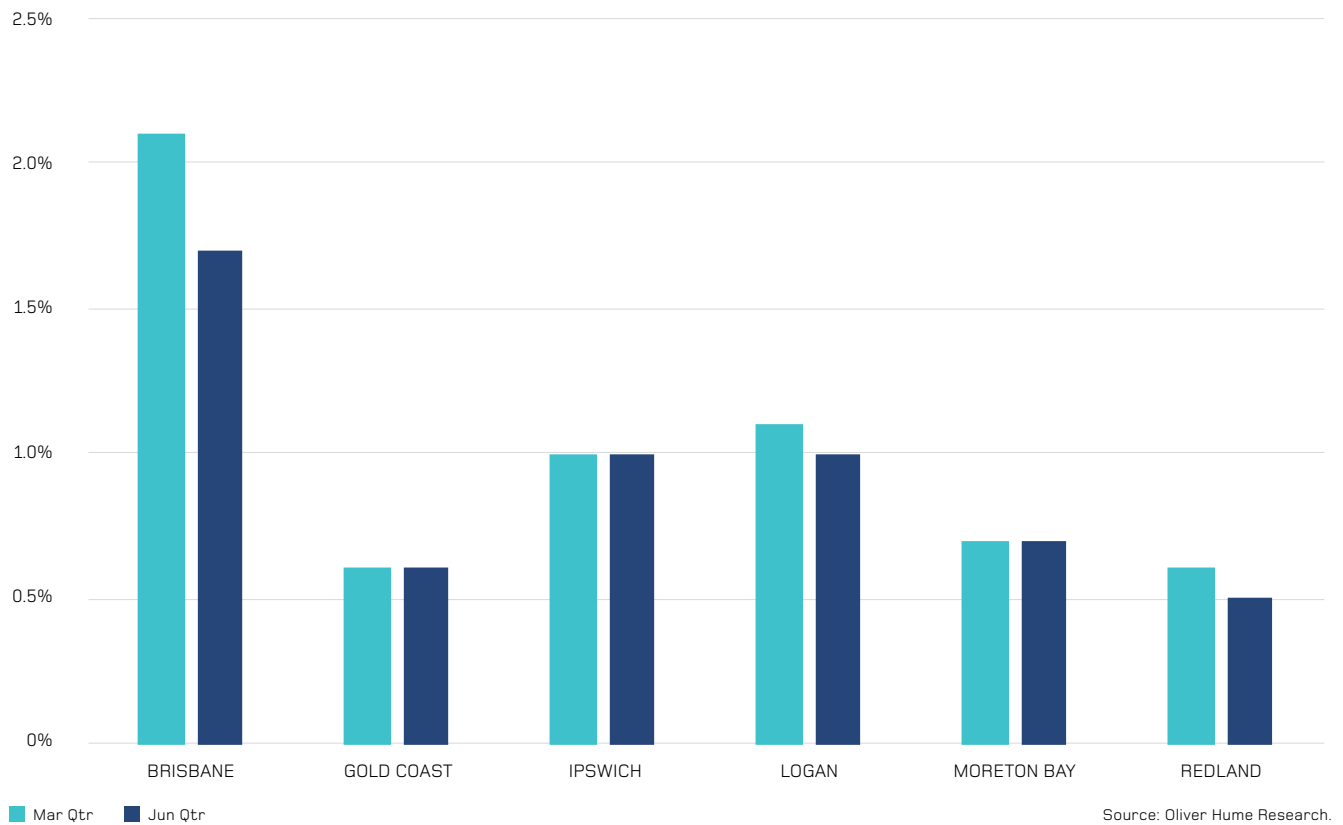
With sales at record highs to start off the year, the current supply of new apartments is forecast to be absorbed over the short to medium term and could struggle to cope with demand from both local and interstate purchasers.

Nearly two thirds of all municipalities across Queensland recently recorded their lowest vacancy rates since 2010 according to the REIQ. Continuing the trend of tightening vacancy rates across key markets in Queensland and other markets, the Gold Coast closed out the June Quarter with vacancy rates reaching 0.6%.

Interstate Arrivals to QLD



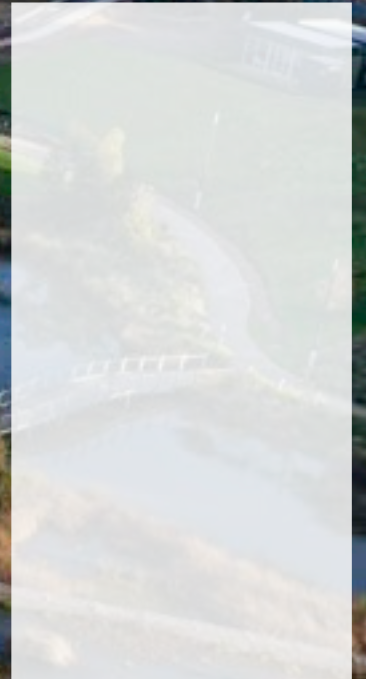
SEQ Vacancy Rates





An aerial photograph of a park area. In the foreground, a river flows through a landscaped area with greenery and a concrete path. In the middle ground, a building is under construction, surrounded by cleared land and some trees. The background shows a dense forest and distant hills under a cloudy sky.

4.0 FEATURE ARTICLE



BALLARAT - PROPERTY GOLDEN ERA BECKONS FOLLOWING DECADE OF STRONG GROWTH



Surging popularity in regional real estate has been one of the hallmarks of the property market since the emergence of COVID-19.

One of the regional cities that has captured the attention of buyers and seen a marked increase in demand is the gold rush city of Ballarat.

The Ballarat market has performed very strongly during 2020 and 2021

Based on data from the Real Estate Institute of Victoria (REIV), in the year to the June Quarter 2021, median house prices in the City of Ballarat increased by 14.5% while unit prices increased by 14.1%.

But the pandemic spike is only part of the picture.

Ballarat, like many other regional cities around Australia, has been undergoing significant change and transformation in recent decades with both direct and indirect impacts on the property market.

Indeed, recent trends suggest that the next few years could be bigger than the most recent decade which saw strong growth.

To better understand what the future might hold for Ballarat, it's important to look at where Ballarat has come from, why it has performed so strongly in recent times and what the drivers of change have been.



2011 to 2021: A Regional City on the Rise

The Ballarat property market was experiencing steady growth before the health, economic and social upheaval caused by COVID-19.

Robust demand and steady population growth had fuelled growth in Ballarat property prices.

For example, data from the Valuer-General Victoria (VGV) suggests that between 2011 and 2021, median prices for houses and vacant house blocks increased by around 73% and 74% respectively while units/apartment median prices increased by 55%.

A key driver of change – and competitive advantage – for Ballarat has been its relative affordability.

Like many other regional cities Ballarat offers aspiring homeowners, some of whom have been locked out of capital city markets, the opportunity to realise their “Great Australian Dream.”

Much of Ballarat’s future growth is to occur in the Ballarat West Growth Area – a key greenfield development front.

In addition to affordability, the city has several fundamental attributes and competitive advantages fuelling growth:

- Within easy driving distance from Melbourne (110 kilometres west of the Melbourne CBD)
- Job opportunities across a diverse range of industries including manufacturing, agriculture, health, education, hospitality and tourism industries
- Commercial capital of the Central Highlands and the largest city in the region
- Tourist destinations brimming in history and culture with well-preserved, Victorian-era heritage buildings and historical streetscapes
- Strategic centre of some of Victoria’s most important freight, tourist and commuter transport routes.

Another catalyst for growth in regional real estate is improving infrastructure and services. Ballarat is well-placed:

- Four main highways radiate from Ballarat and connect the city to several industrial centres, regional locations and agricultural areas
- Higher education facilities include Federation University and a campus of the Australian Catholic University
- Several public and independent schools
- Medical and health facilities including two hospitals
- A rail line linking Ballarat to the Melbourne CBD.

Boosted by a growing population and a diverse range of industries, Ballarat’s economy continues to grow.

The City of Ballarat’s Gross Regional Product (GRP) was estimated at over \$6.42 billion in 2020.

The impressive combination of diverse employment opportunities, strong economy, property affordability, amenities and lifestyle, location and culture opportunities were a recipe for growing property prices in Ballarat over the decade to 2020.

“ The impressive combination of diverse employment opportunities, strong economy, property affordability, amenities and lifestyle, location and culture opportunities were a recipe for growing property prices in Ballarat...”



Pandemic Period: Ballarat Captures Shift In Buyer Preferences

Ballarat, like many regional centres in Victoria, surged in popularity over the last year.

In addition to impacts in health and the society more broadly, COVID-19 has had an impact on the economy and the property market.

One key impact has been a shift in buyer sentiment and preferences to regional locations and Ballarat was well positioned to capture those buyers looking in a new direction.

As people began spending more time at home, both working and with their family, more living and working space, a better lifestyle and greater connectivity to the environment became even more important.

Regional areas tend to have larger lot sizes and Ballarat is no exception.

Larger lots in regional areas, such as Ballarat, can offer more opportunities to create garden and outdoor spaces to enjoy, study areas to work at home from and home entertainment options for the family.

The rise of the working-from-home phenomenon means buyers can seek locations in the country but remain close enough to major metropolitan areas.

As a result, Ballarat ticked many boxes and buyers voted with their feet.

As people began spending more time at home... more living and working space, a better lifestyle and greater connectivity to the environment became even more important.

The rental market in Ballarat continues to perform strongly as population growth continues and investors seek higher returns.

As buyer and resident attention began to shift to Ballarat and other regions during 2020, already low vacancy rates started to trend even lower and rental growth accelerated.

Vacancy rates in Ballarat have now reached very low levels suggesting a major residential undersupply.

The peaceful regional city clearly proved attractive for people in Melbourne amid strict isolation policies, lockdowns and the trend towards working from home.

But how long will the increase in demand for Ballarat real estate last?

Looking Ahead: Ballarat in 2021 And Beyond

While 2020 showed us to expect the unexpected, the fundamental strengths and competitive advantages of Ballarat, together with the marked shifts we have observed since early 2020, suggest the future of the regional city is bright.

Due to these strengths and advantages, the property market in Ballarat is forecast to remain robust over the medium to long term.

Of special importance will be steady employment and population growth, improved infrastructure and the continued shift in buyer preferences driven by affordability, lifestyle changes and working from home.

Population growth will be also driven by new land and housing opportunities in the Ballarat West Growth Area.

This location is expected to predominantly attract young couples and families from other parts of Ballarat, surrounding townships and Melbourne.

Ballarat's population is forecast to increase by around a third in the coming decade.

The increased population will continue to require infrastructure, facilities and services and a considerable amount of work is already in the pipeline or has been completed.

For example, a major railway upgrade was completed earlier in the year.

Launched recently, the Ballarat GovHub will house Victorian Government workers and centralise the delivery of several government services.

While the last decade was impressive for Ballarat, the next few years could easily prove to be even bigger.

The drivers that led to the steady growth of Ballarat in recent decades – including affordability, economy and lifestyle – look set to continue on top of the new factors that have caused a shift in buyer sentiment and preferences.

Due to these strengths and advantages, the property market in Ballarat is forecast to remain robust over the medium to long term.



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