

Reed & Co.

ESTATE AGENTS

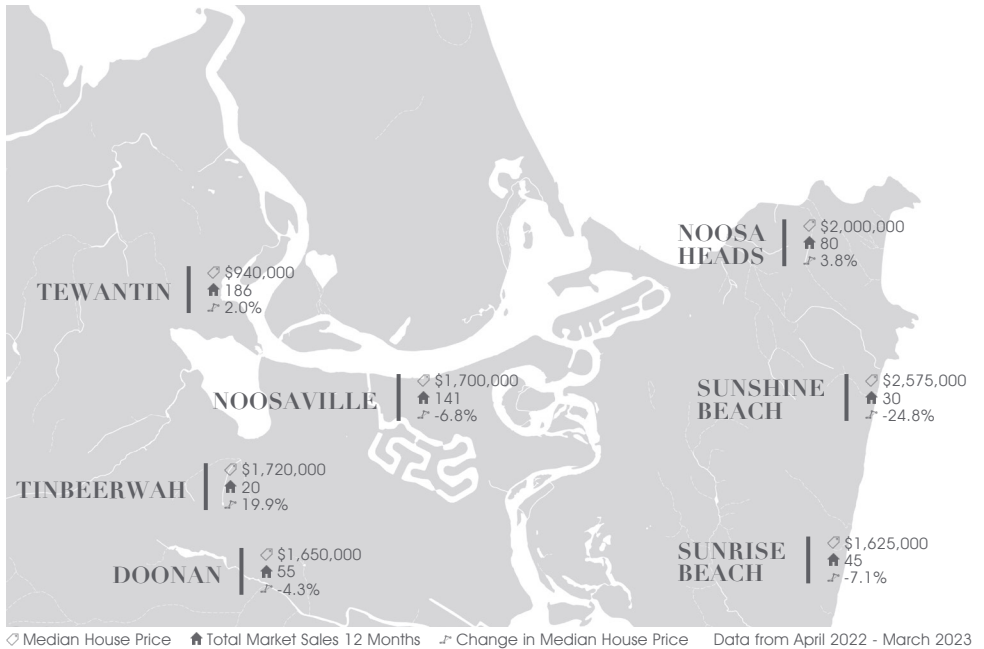
NOOSA PROPERTY MARKET UPDATE

1st Quarter 2023

NOOSA HEADS



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First Quarter 2023 in Review

The dream of living the Noosa lifestyle is still alive and well in 2023 with buyers continuing to drive strong sales at the top end of the market. The super prestige sector (\$10,000,000 plus) and prestige sector (\$4,000,000 to \$10,000,000) have performed extremely well so far this year, and it all comes down to opportunity.

Noosa's tightly-held, waterfront trophy homes have always been hard to get hold of, but supply continues to be particularly lacking in this space. When an opportunity to purchase one of these homes arises, there is always a willing buyer waiting to pounce.

At the lower end of the prestige market,

buyers have been looking predominantly to purchase properties as principal places of residence, either relocating from interstate, Brisbane, or upgrading locally. These buyers – often treechangers, seachangers, or self-funded retirees, remain confident about the state of the market, despite a change in sentiment, rising interest rates, and cost of living pressures.

Some of our biggest sales so far this year include two outstanding properties in Noosa Waters. A Paul Clout designed home at 17 The Promontory recently changed hands for \$6,830,000 at auction, and down the road, 20 The Promontory sold for \$6,100,000. And in a sought-after pocket of Noosaville, we sold a waterfront property

at 9 Wyuna Drive for \$6,000,000. Where we are seeing some hesitation in the marketplace is in the lower end of the market, for sub \$4,000,000 properties.

We're seeing a decline in the volume of sales, but prices are holding firm. While there is a lack of new listings, there is still plenty of choice for buyers, with properties staying on the market for longer. As a result, we will likely see some price adjustments from vendors in the coming months and more negotiating power given to buyers.

The interest rate pause in April came as welcome news for both buyers and sellers, giving them a confidence boost that was desperately needed. On the back of that, we have seen strong attendance at open homes and an increase in sales volumes, showing just how much of an impact consumer sentiment has on the housing market. The latest quarterly CPI figures for the year to March show inflation falling to 7% – down from a 33-year high of 7.8% in the December quarter of 2022, and the latest monthly CPI figures for March have fallen to 6.3% from 6.8% in February. Economists are divided about the outlook for interest rates. Many believe inflation has peaked but remains high enough for the RBA to raise rates at least once more before the end of the year. RBA governor Philip Lowe told the National Press Club earlier this month that “we may well have to increase rate again, but we're not 100% certain of that”.

The minutes of the April board meeting said the decision to keep the cash rate on hold at 3.6% was “to allow time to gather more information”.

CoreLogic head of research Eliza Owen says that despite uncertainty about whether interest rates have peaked, housing market conditions are looking more optimistic.

“In March, the CoreLogic Home Value index rose 0.6%, the first increase since before the

rate-hiking cycle in 2022,” she said.

“Fundamentally, demand remains strong amid a sharp rise in overseas migration, together with lower than average levels of advertised supply and extremely tight rental conditions.”

Westpac team economics lead Dr Bill Evans agrees price falls are mostly over and showing “promising signs of stabilisation”.

“We still have negatives, like the cost of building houses going through the roof and risks from inflation, but the most important thing is that we expect the RBA to raise the rate in May but then put it on hold.”

The latest ANZ-Roy Morgan Consumer Confidence survey found sentiment recovered slightly in April, but it remains lower than before the February interest rate hike.

“

I believe we may have seen the worst of the correction for the Noosa market in the March quarter.

Adrian Reed

Those who are urgent to sell may need to align more to the market's expectations, but if vendors have the patience, it may be worth holding out.

When there is a crisis of confidence in the market, buyers' aspirations don't change – they are just delayed.

Looking ahead, the prestige market will continue to perform well, and we're already seeing that so far in the second quarter. Investment-grade stock will continue to face yield pressures that may impact value, and the lag effect of interest rate rises may continue to impact the lower end of the market. But the fundamentals remain strong. Unemployment is low, the local economy is thriving, and the appetite for living in Noosa shows no signs of abating.

Noosa Heads

Welcome to another quarterly report and the lay of the land is pretty interesting. Interest rate rises have paused, and the media narrative is continually highlighting the cost of living pressures in the broader economy, almost begging the RBA to lay off further interest rate increases. Record immigration, absorbed mainly by Sydney and Melbourne, is likely to place upward pressure in those cities.

Given National media tends to extrapolate what is occurring in Sydney and Melbourne to the rest of the nation we need to establish that the Noosa property niche has very different drivers and is at a very different place in the cycle to both those markets. Noosa Heads houses have seen the median decline from the peak in September 2022 of around \$2,200,000 to sit at \$2,000,000 at the end of March 2023, a decline of just over 9%. Whether we have seen the bottom yet is something we can only see when we view it in the rear vision mirror.

Apartments continue to experience a run up in the median price, now sitting at \$1,885,000 up from approximately \$1,350,000 in April 2022.

There are a couple of scenarios to consider in these numbers. Are affordability issues driving more buyers across to apartments as live-in options? Has Noosa Council's determination to stamp out STA in houses led to a concerted buyer shift to apartments? Will the run up in apartment pricing ease given discretionary income is under pressure which potentially may impact both occupancy rates and room rates in holiday let properties? Will interest rates

recommence their climb? Again, time will tell which, if any, of these scenarios determines future property price directions.

“

On the ground we are seeing committed buyer numbers increase slightly across open homes with discerning buyers wanting value above all else and rigidly adhering to pre-established budgets when purchasing.

Kate Cox

There is still buyer competition for well-positioned, well-presented properties which will continue to be prevalent for the foreseeable future as people moving from inter or intrastate want to be able to move into a finished product.

On portals and at open homes there is less interest in properties that require work and are not presented at their optimum. With fewer competing eyes on these properties, well located houses presented below their peak represent a better value proposition for growth opportunities. As prices soften those with the skills to renovate at wholesale cost rather than outsource and renovate at retail cost are likely to be in a good position to take advantage of any opportunities that emerge.

Whichever path the economy traverses going forward we trust that you and your families continue to be safe and prosper.

Suburb Profile

Core Logic, April 2023



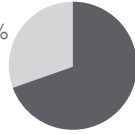
4,500

Population

+11.8%

5 year population change

31%



69%

Owner Occupiers Renters

Total Dwellings



1,805



2,981



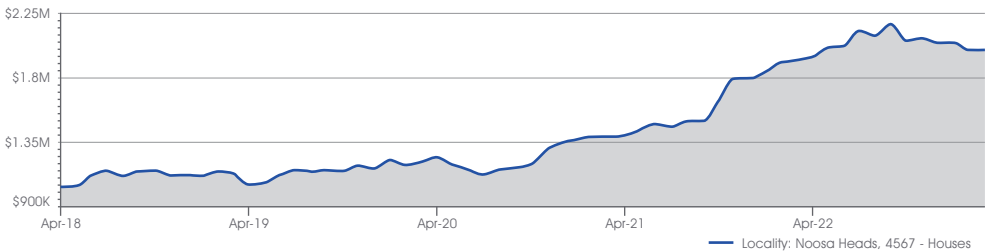
11 Years

Average length of ownership

Houses

Realestate.com.au, April 2023

5 year median price trend



Locality: Noosa Heads, 4567 - Houses

Median House Price



\$2,000,000

April 2022 - March 2023

12 month growth



Up +3.8%

April 2022 - March 2023

On the market



55 houses

available in the last month

Total sales



71 sold

April 2022 - March 2023

Median time on market



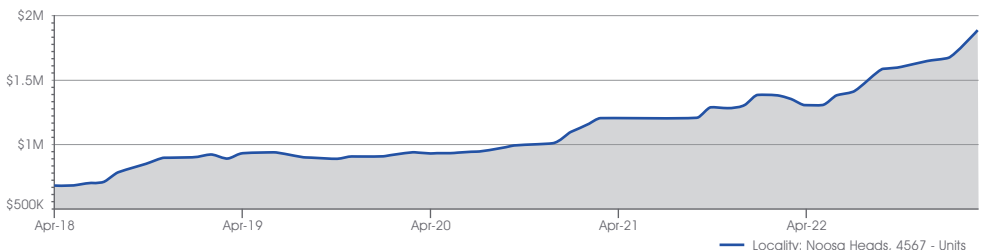
66 days

April 2022 - March 2023

Units

Realestate.com.au, April 2023

5 year median price trend



Locality: Noosa Heads, 4567 - Units

Median Price



\$1,885,000

April 2022 - March 2023

12 month growth



Up +39.6%

April 2022 - March 2023

On the market



64 units

available in the last month

Total sales



123 sold

April 2022 - March 2023

Median time on market



70 days

April 2022 - March 2023

Recent Sales Reed & Co.



17 The Promontory, Noosa Waters
5 bed | 4 bath | 2 car
\$6,830,000 | SOLD April 2023



20 The Promontory, Noosa Waters
4 bed | 4 bath | 2 car
\$6,100,000 | SOLD January 2023



9 Wyuna Drive, Noosaville
5 bed | 3 bath | 2 car
\$6,000,000 | SOLD April 2023



16 Wygani Drive, Noosa North Shore
4 bed | 3 bath | 2 car
\$5,500,000 | SOLD April 2023



125 Shorehaven Drive, Noosa Waters
4 bed | 4 bath | 2 car
\$5,195,000 | SOLD January 2023



32 Belmore Terrace, Sunshine Beach
4 bed | 2 bath | 2 car
\$4,900,000 | SOLD March 2023



5 George Street, Noosaville
4 bed | 3 bath | 3 car
\$4,550,000 | SOLD February 2023



3/26 Peregian Esplanade, Peregian Beach
3 bed | 3 bath | 2 car
\$3,600,000 | SOLD April 2023

Recent Sales Reed & Co.



315 Mirbelia Place, Doonan
4 bed | 2 bath | 8 car
\$3,400,000 | SOLD April 2023



38 Waterside Court, Noosa Waters
4 bed | 3 bath | 2 car
\$2,800,000 | SOLD December 2022



2 Jailee Court, Noosaville
4 bed | 2 bath | 2 car
\$2,400,000 | SOLD November 2022



2 Coolabah Lane, Noosa Heads
3 bed | 2 bath | 2 car
\$2,375,000 | SOLD February 2023



83 Saltwater Avenue, Noosa Waters
4 bed | 3 bath | 2 car
\$2,350,000 | SOLD February 2023



24 Shipyard Circuit, Noosa Waters
4 bed | 3 bath | 2 car
\$2,150,000 | SOLD December 2022



2 Dwyer Street, Sunshine Beach
3 bed | 1 bath | 1 car
\$2,000,000 | SOLD December 2022



38 Livistona Drive, Doonan
4 bed | 2 bath | 7 car
\$1,700,000 | SOLD December 2022

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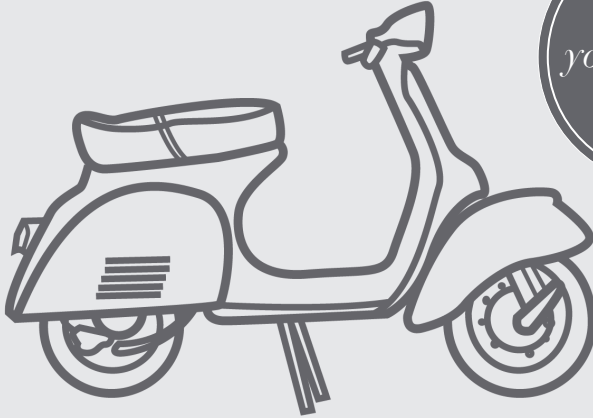
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In collaboration with

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FOUNDATION



*\$100 for
your chance
to WIN.*



SCAN TO PURCHASE YOUR RAFFLE TICKET.

Purchase a raffle ticket today for your chance to win a Vespa Primavera 50 scooter to the value of \$6,090 while providing funds to purchase much needed lifesaving paediatric medical equipment for Queensland regional hospitals.

*A digital raffle ticket will be sent to you via email. * 2.2% surcharge for online payments. 0.7% surcharge for Visa & Mastercard payments. * The winner will be announced at our Charity Gala on Saturday, 17th June, 2023 and will be contacted via phone or email. *It is the winners responsibility to cover all on-road costs. The scooter is to be collected from our office within 7 days.



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