

Reed & Co.

ESTATE AGENTS

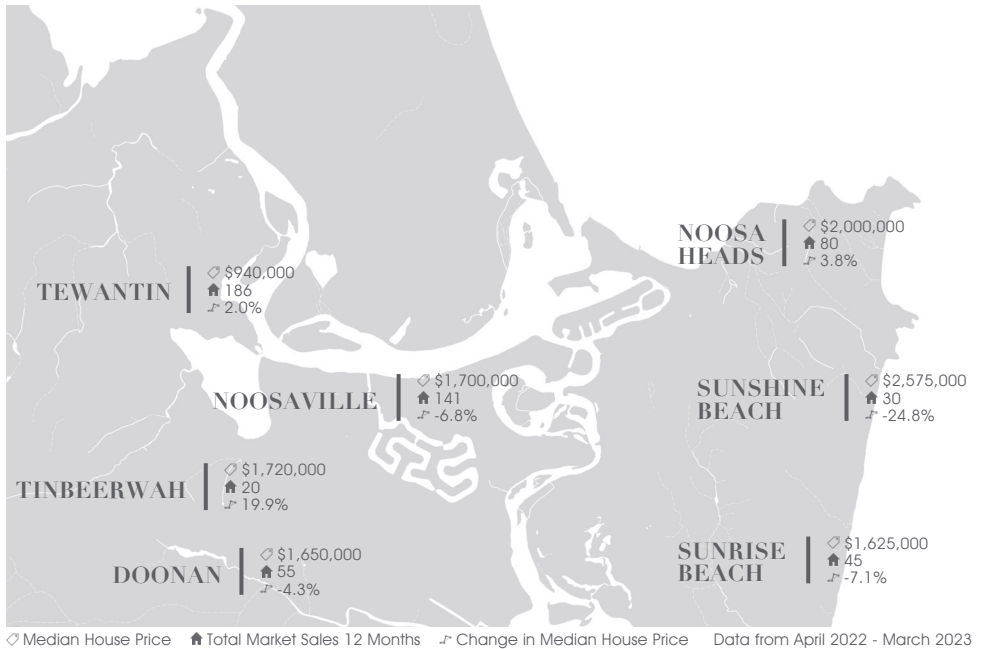
NOOSA PROPERTY MARKET UPDATE

1st Quarter 2023

SUNSHINE BEACH



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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.

Sunshine Beach

The market in Sunshine Beach is still strong, but like everywhere, it has certainly normalised over the last 12 months. With its great patrolled beach, a fantastic village, and its proximity to Noosa National Park, it's no wonder Sunshine Beach is still tightly held and a highly sought after address. The first quarter has seen some great sales, including my pre-auction sale of 32 Belmore Terrace with a terrific result. In fact, 5 homes have been sold for over \$4,900,00.

With its offerings, its owner tenure longevity, and the financial resilience of those who own in the area, it is no wonder Sunshine Beach has weathered the economic changes well.

Being a prestige market where owners have a high percentage of outright ownership, Sunshine Beach tends to be less affected by economic change. Moving forward, as immigration increases, I feel there will be more demand, as our major cities become more overcrowded and less liveable. Those with the means will seek out the life we enjoy on a daily basis!

“

A great patrolled beach, fantastic village, and its proximity to Noosa National Park, it's no wonder Sunshine Beach is still tightly held and a highly sought after address. The first 3 months have seen some sensational sales.

Alexander Payne

Houses

After the median house price peaked at \$3,500,000 in January 2022, after huge growth, and a number of substantially high sales on the beachfront, the median is now normalising. The median is now sitting at \$2,575,000. Just because the median has come down 24.8% since April last year, does not mean prices have fallen by that percentage.

Measuring 9 house sales in this first quarter in Sunshine Beach, the total sales came to over \$39,000,000. The average sales price, for these properties, is \$4,300,000. Interestingly, the median days on market has reduced from 92 days to 65 days (rolling 12-month period).

Yes, there has been an economic downturn. Is it affecting property in Sunshine Beach? Certainly not at the high end. Properties in the sub \$2,000,000 are slower to sell, but Sunshine Beach remains a highly desirable address.

Units

Unit prices in Sunshine Beach are now sitting at a median value of \$1,410,000 (as of March 2023) having decreased in the last twelve months by only 2.6%. Approximately 42 unit sales were recorded in the last 12 months. Seven of these sales were in the first quarter of 2023.

Prices have decreased slightly, however there are more buyers than stock, and the apartments close to the village and beach, in the under \$2,000,000 range, have moved quickly.

For the period April 2022 to March 2023 units spent an average of 42 days on market prior to sale. It seems buyers and investors alike, despite the economic changes, still see Sunshine Beach as a solid area to invest or owner occupy.

Suburb Profile

Core Logic, April 2023



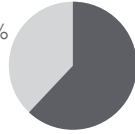
2,500

Population

+7.5%

5 year population change

38%



62%

Owner Occupiers Renters

Total Dwellings



979



907



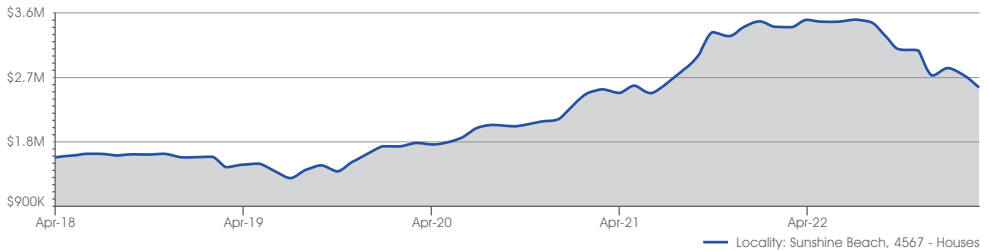
11 Years

Average length of ownership

Houses

Realestate.com.au, April 2023

5 year median price trend



Locality: Sunshine Beach, 4567 - Houses

Median House Price



\$2,575,000

April 2022 - March 2023

12 month growth



Down -24.8%

April 2022 - March 2023

On the market



29 houses

available in the last month

Total sales



24 Sold

April 2022 - March 2023

Median time on market



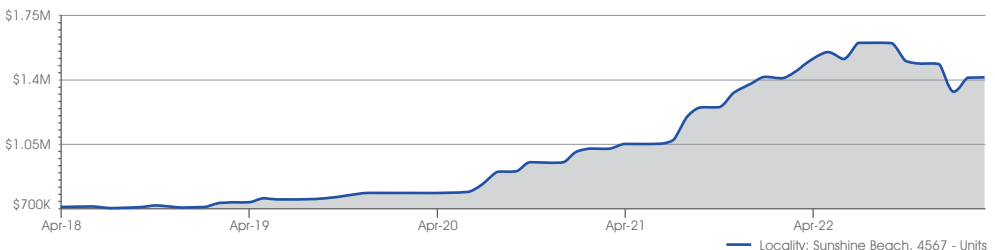
65 Days

April 2022 - March 2023

Units

Realestate.com.au, April 2023

5 year median price trend



Locality: Sunshine Beach, 4567 - Units

Median Price



\$1,412,500

April 2022 - March 2023

12 month growth



Down -2.6%

April 2022 - March 2023

On the market



17 Units

available in the last month

Total sales



42 Sold

April 2022 - March 2023

Median time on market



42 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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IT'S NOT WHAT WE SAY, IT'S WHAT OUR *CLIENTS* SAY.



32 Belmore Terrace
Sunshine Beach | Withheld
*Sold in 18 days prior to
auction.*



15/239-245 Gympie Terrace
Noosaville | \$1,295,000
Sold in 16 days.



9/272 Weyba Road
Noosaville | \$705,000
Sold in 4 days.

A Real Professional

Alexander has helped us on both the buy and selling side now. We have found him to be very professional and knowledgeable. He has proactively suggested things that have helped our sale go smoothly and successful.

We would not hesitate to recommend him to others, and we are sure that others will find him attentive, proactive and strategic in his approach to helping them accomplish their goals.

Excellent Experience, Highly Recommended

We want to thank Alexander for his professionalism and care throughout the sale of our home. He ensured we were kept well informed throughout the process. He was respectful and offered a plethora of suggestions in terms of styling adjustments and ideas. He was open to feedback as well as accommodating our special requests which was appreciated. We were happy with Alexander and can recommend him without a doubt to others.

Quality Advice from a Professional Agent

Alexander provided us with excellent quality advice regarding our listing. He was utterly professional at every encounter.

We found Alexander to be genuinely interested in assisting us with the sales process, and was readily available at short notice to support the programme; he is a consummate professional in all he does.



Alexander Payne

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Scan the
QR code to
connect.

