

### EGM VOTING

Thanks to everyone that submitted their voting papers. We had a unanimous result to accept the new by-laws and to proceed with the upper deck quotes for Ekodecking. Work will commence as soon as the contractor can fit us in and the by-laws have been lodged with the commissioners office.

### STATE OF THE MARKET

By Managing Editor Felicity Moore, Research by Karina Salas.

The REIQ market monitor for the March Quarter was recently released and as Landlords, tenants and owner occupiers we all have an interest in what the market is doing. Here is a snap shot of the relevant topics for us.

STATEWIDE COMMENTARY, March quarter listings down, rental markets improve.

"Listings have fallen over the past 12 months to March 2018, which means buyers are off the hunt and there are fewer properties to choose from. This pressure serves to speed up sales as buyers act quickly and days on market and vendor discounting trended downwards"

Falling levels of stock on the market is also reflection of the wait- and- see attitude prevalent among potential vendors. Many are choosing to wait, optimistic the market will strengthen in due course. It's hard to say at this point if their optimism is well placed or if they'll be waiting a while for that ship to come in.

Summary snapshot of the market:

- . Lifestyle markets of the Gold and Sunshine coasts continued driving the growth of the sales and rental markets in the sunshine state.
- . Greater Brisbane is the quiet achiever as house prices grew moderately well and unit prices and the rental market proved themselves to be resilient to the negative market sentiment.

### RENTAL MARKETS GENERALLY IMPROVNG

The rental market in the tourism centres continued showing a strong performance as they operated at an uncomfortable tight level and favouring landlords.

The Sunshine Coast SD was the star performer over the March 2018 quarter, with consolidated vacancies of 1%. Caloundra Coast and Gympie were the tightest rental markets, with vacancies of 0.5%.

Vacancies in the regional centres of Gladstone, Rockhampton and Townsville continued on a downward path and rents generally increased for the past quarter. However, general market conditions remained weak and in favour of tenants.

***The Greater Brisbane rental market continued operating within the healthy range, with inner- Brisbane vacancies tightening and moving back to the healthy range this quarter.***

The Queensland rental market grew 3.7% for the past year to March 2018, reaching a total of nearly 578,000 residential rental properties. Over the March quarter, tenants demand was able to absorb more than 6150 new rental properties in Queensland. About half of the additional stock was located in the Brisbane local government area, showing the increasing stock in the capital city.

The Gold Coast, the Sunshine Coast and Noosa have become the most expensive rental markets for the three-bedroom houses and three bedroom townhouses in the March 2018 quarter.

### GEORGINA'S EXPERIENCE and ADVICE

Rental demand increased Dec to March, but have reduced to typical seasonal activity for this time of the year. Tenants are making enquiries now for end of July moving dates. Weekly rental rates have increased moderately, no more than \$20 a week. Newstead Terraces compare favourably in terms of floor space, outlook and common area facilities. Landlords should be budgeting to spend now on carpets and repaints to keep the properties looking fresh and competitive with the new builds. 2018/19 I believe should be one of refreshment. Our properties are now 13 years old. If you have not replaced the carpets and repainted the walls, cleaned the blinds or even replaced the blinds, this is the financial year to be doing it. Vacancies times have pushed out to 8 to 10 weeks in this quarter. Its traditionally a slower time of year to rent, but this year is the worst slow period I have experienced.

### UNIT MARKET

The Queensland unit median price fell 3.8 per cent in the March quarter, from \$400,000 to \$385,000.

The good news is that the Queensland unit market held steady over the past year at an annual median price of \$400,000.

Houses continued outperforming units. The Noosa unit market was the star performer for the past year, growing 7.1 per cent to an annual median of \$525,000. Noosa was also the most expensive unit market in Queensland.

The Gold Coast, the Sunshine Coast, Redland, Logan, Townsville, Bundaberg and Fraser Coast unit markets were the positive performers of all areas analysed in the Queensland Market.

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In the case of two-bedroom units, the Brisbane market remained more affordable than the Gold Coast.

House and unit yields improved this quarter due to the increase in rents for three-bedroom houses and two-bedroom units.

House yields of 3.5 per cent remained the smallest across the state.

Units in Brisbane LGA reached higher yields compared to other regions in the southeast corner, sitting at 5.2 per cent in March 2018.

#### RENTAL MARKET

For a second consecutive quarter, the Brisbane LGA rental market operated within the healthy range with vacancies of 3.1 per cent and median rents for different type of dwellings trending upwards this quarter.

The rental market continued showing resilience as the increase in demand was able to absorb nearly 3200 new rental properties over the March quarter and nearly 9900 new rental properties for the past year.

Inner-Brisbane vacancies tightened this quarter, from 4 per cent in December last year to 3.5 per cent in March 2018. Middle-ring Brisbane vacancies weakened from 2.1 per cent to 2.8 per cent, partially offsetting the improvement in inner-Brisbane vacancies.

Anecdotal evidence from Brisbane property managers revealed new stock is attracting tenants making it harder for older properties to compete for good quality renters. Executive level rental stock is in high demand and scarce, in the range of \$600 to \$1000 a week.

Median rents for three-bedroom houses and two-bedroom units increased \$20 a week this quarter, to \$440 a week to \$420 a week, respectively. Teneriffe and New Farm are the most expensive rental markets for three-bedroom houses with a weekly median rent of \$735. Highgate Hill, South Brisbane and West End are the most expensive rental markets for two-bedroom units with a weekly median rent of \$525.

The weekly median rent for three-bedroom townhouses increased by \$10, from \$410 in December to \$420 in March.

Despite the rental increases this quarter, the Brisbane rental market for three-bedroom houses and three-bedroom townhouses remained more affordable than the Gold Coast and the Sunshine Coast rental markets.

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## Rental Market Summary

### QUARTER STATISTICS SUMMARY

LGA/REGION	RENTAL TRENDS			MEDIAN WEEKLY RENT			GROSS RENTAL YIELDS		
	3-BED HOUSE	2-BED FLAT	3-BED TOWNSHOUSE	HOUSES	UNITS		QUARTERLY TREND	QUARTERLY TREND	QUARTERLY TREND
	QUARTERLY TREND	QUARTERLY TREND	QUARTERLY TREND	QUARTERLY TREND	QUARTERLY TREND	QUARTERLY TREND			
GREATER BRISBANE									
Brisbane ISA	\$440	UP*	\$420	UP*	\$420	UP	3.5%	STEADY	5.2%
PSMHER	\$210	STEADY	\$265	UP	\$200	STEADY	4.7%	STEADY	5.0%
LOGAN	\$245	DOWN	\$288	DOWN	\$235	UP	4.6%	STEADY	5.7%
MORTON BAY	\$260	UP	\$285	DOWN	\$245	UP	4.3%	STEADY	4.6%
REDLAND	\$400	STEADY	\$350	STEADY	\$405	UP	3.9%	STEADY	4.7%
TOURISM CENTRES									
GOLD COAST	\$495	UP	\$440	UP	\$435	UP	4.1%	STEADY	5.5%
SUNSHINE COAST	\$450	STEADY	\$365	UP	\$430	UP	4.0%	STEADY	4.7%
NOOSA	\$460	STEADY	\$400	UP*	\$508	DOWN**	3.7%	STEADY	3.6%
FAISER COAST	\$300	STEADY	\$250	STEADY	\$220	DOWN	4.9%	STEADY	5.3%
CAIRNS	\$380	STEADY	\$310	UP	\$393	UP*	4.9%	STEADY	6.9%
REGIONAL QLD									
BUNDABERG	\$290	STEADY	\$245	UP	\$280	STEADY	5.5%	STEADY	4.8%
GLADSTONE	\$200	UP	\$150	UP	\$200	UP	4.0%	N/A	N/A
MACKAY	\$320	UP*	\$230	UP*	\$220	UP*	4.9%	STEADY	5.3%
ROCKHAMPTON	\$275	UP	\$210	UP	\$280	UP*	5.2%	STEADY	N/A
TOOWOOMBA	\$210	UP	\$255	UP	\$220	STEADY	4.6%	STEADY	4.7%
TOWNSVILLE	\$200	UP	\$250	UP	\$200	STEADY	4.8%	STEADY	5.2%

\* rent change of \$20 or more or 0.5 pts or more

N/A Not available

### Unit stock self-absorbing

Approvals for dwellings excluding houses in Greater Brisbane fell about 12 per cent for the year to March 2018, from 13353 in March 2017 to 11802 in March 2018. This is an indication that the market continues self-regulating by reducing the levels of supply coming to the market.

Anecdotal evidence from property managers also revealed an increase in demand of rentals for medium to high density dwellings over the March quarter, which has supported the tight vacancies in Outer Brisbane of 2 per cent.

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