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REAL ESTATE

PRD Tweed Heads Market Update 1ˢᵗ Half 2024

Key Findings

1. In Q4 2023, Tweed Heads recorded a median house price of $946,750 and a median unit price of $800,000. This represents annual (Q4 2022 – Q4 2023) softening of –18.4% for houses and 22.1% growth for units. In this time sales decreased by -28.6% (to 15 sales) for houses but surged by 41.2% (to 96 sales) for units. The market is reflective of two things: higher interest rates and cautious buyers, thus a softer house price growth; and a big undersupply in houses, which lead to a more demanded unit market and resilient pricing.

2. Average vendor discounts between Q4 2022 and Q4 2023 have tightened to -4.5% for houses and -2.1% for units. The market in Tweed Heads still favour buyers, as vendors willing to accept below the initial listing prices. That said Q4 2023 saw the tightest average vendor discount for units, thus a more competitive market.

3. Tweed Heads recorded a vacancy rate of 0.7% in December 2023, lower than Tweed Shire LGA average (1.1%) and Gold Coast Main (1.0%). Vacancy rates increased in late 2022 – mid 2023, due to investors re-entering the market. However, a 0.7% rate is well below the Real Estate Institute of Australia's healthy benchmark of 3.0%: thus, a conducive and sustainable environment for investors.

4. House rental yields was 3.0% in December 2023, lower than Tweed Shire LGA (3.9%). There was a softening in median house rental price in the past 12 months, now at $740 per week; and a 27.3% surge in the number of houses rented. Average day on the market continue to decline, by -6.5%, to 29 days. The rental market is now more affordable for renters, but also more demanded market and beneficial to investors.

5. Tweed Heads will see approximately $96.8M of new projects commencing in the 1ˢᵗ half of 2024. $39.8M residential projects plans to supply 69 units/apartments, 18 townhouse and only 1 dwelling to the market. The undersupply in ready-to-sell properties will put pressure on house prices and lead to a market recovery.