MONTHLY HIGHLIGHTS

DATA · DEVELOPMENT · DESIGN · INSIGHT

Foreword

In May, Australia's property market continued to display diverging trends. Housing price growth moderated, buyer demand became more cautious, and ongoing rental pressures and housing supply constraints continued to influence market sentiment. At the same time, government grants, export support programmes and international expansion resources remained important reference points for businesses planning long-term growth. Against this backdrop, DDDI Group maintained a steady pace of execution, continuing to advance project development, policy monitoring, market research and industry engagement initiatives.

This month, several projects reached important milestones. From the acquisition of Woodville West and two new Christies Beach sites, to multiple projects progressing into the concept design stage and completing development application submissions, and with Dernancourt obtaining Planning Approval (PA) while Old Reynella moves closer to construction commencement, the team continued to maintain momentum across different phases of the development cycle. In addition, settlement was successfully completed for two newly built homes in Gilles Plains.

Beyond project delivery, this edition also highlights policy research, market insights and industry knowledge sharing. DDDI Group research team has prepared updates on the Export Market Development Grants (EMDG) programme and the emerging slowdown and divergence within Australia's residential property market. Meanwhile, this month's development practice seminar focused on building contracts, builder-related risks, construction quotations, budget management and construction risk identification, helping homeowners, investors and development participants develop a more comprehensive understanding of project risk management.

Highlights of This Issue:

- Project Progress Updates
- Policy Insights: Export Market Development Grants (EMDG)
- Analysis of Slowing Growth and Diverging Trends in Australia's Residential Property Market
- May Property Development Practice Seminar Recap

Project Progress Update

Overall project delivery progressed smoothly throughout May. The team continued to coordinate project planning, approval milestones and construction scheduling in line with client requirements, ensuring projects across different stages of the development cycle remained well connected and progressed efficiently.

◆ **Three New Development Projects Successfully Acquired, Early Planning Underway**
The team successfully assisted clients in acquiring three new development sites, including one in Woodville West and two in Christies Beach. These projects have now formally entered the concept design stage, with planning work progressing in accordance with client objectives and project requirements, laying the groundwork for future approvals and development activities.

◆ **Six Projects Progress into the Concept Design Stage**
Six projects located in Warradale, Salisbury, Modbury, Clare and two sites in Christies Beach have now progressed into the concept design stage. Design schemes are currently being refined based on site conditions, development potential and client requirements.

◆ **Development Applications Submitted for Six Projects**
Development application documentation has been completed and submitted for six projects, including two sites in Christies Beach, two sites in Christie Downs, one site in Noarlunga Downs and one site in O'Halloran Hill. All projects are currently awaiting Planning Approval (PA) outcomes.

◆ **Project Receives Planning Approval and Progresses to Detailed Design and Sales Preparation**
The Dernancourt project has successfully obtained Planning Approval (PA) and has now moved into the detailed construction documentation stage. At the same time, project renderings and supporting marketing materials are being prepared to support future sales and promotional activities.

◆ **Approved Projects Complete Early Site Preparation and Move Towards Construction**
The Old Reynella, Mitchell Park and Morphett Vale projects, which received planning approval last month, have now completed early site preparation works, including land clearing and site establishment activities. Construction is expected to commence in the near future, marking the transition from the approval phase into project delivery.

◆ **Construction Projects Progress Steadily**
Construction activities across Gepps Cross, Valley View, Vista, Clearview, Pooraka and Ingle Farm continue to progress in accordance with project schedules. Overall construction progress remains stable and on track.

◆ **Successful Settlement Marks Completion of a Key Project Milestone**
Settlement has been successfully completed for two newly built homes within the Gilles Plains project, marking the successful completion of an important project phase. From initial planning and construction delivery through to final settlement, the project progressed smoothly across all stages and provides a valuable reference for the delivery of similar developments in the future.

Overall, project activities progressed well throughout the month, with effective coordination across all stages of the development cycle. Design development, approval submissions, sales preparation and pre-construction activities all advanced steadily in accordance with project schedules.

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POLICY INSIGHTS | EXPORT MARKET DEVELOPMENT GRANTS (EMDG): SUPPORTING AUSTRALIAN BUSINESSES IN INTERNATIONAL EXPANSION

As Australian businesses increasingly seek opportunities in international markets, government grants, export support programmes and industry development resources are gradually becoming an indispensable part of growth strategy formulation. For businesses planning to introduce their products, services or specialised capabilities to overseas markets, a clear understanding of relevant policy instruments in advance can help in planning and executing international expansion more effectively.

DDDI Group has long focused on opportunities in property development, project management, data analytics, technology applications and cross-border resource integration. As the Group's business continues to expand, we also monitor government policy developments related to enterprise growth, export support, market promotion and innovation, aiming to help partners and industry participants identify potential opportunities at an early stage.
Against this backdrop, the Export Market Development Grants (EMDG) programme is a policy tool that export-oriented businesses should pay particular attention to.

EMDG Provides Support for Overseas Market Expansion

EMDG is an Australian Government programme designed to support export-oriented businesses and relevant representative organisations, helping eligible enterprises cover expenses related to overseas market promotion, international marketing and export development. The programme is particularly practical for businesses seeking to establish a presence overseas, participate in international trade shows, expand their client base abroad, or prepare to bring Australian products and services to international markets.
Unlike some grants focused on research or early-stage innovation, EMDG directly addresses the practical needs of businesses entering overseas markets. The programme evaluates whether a business already has an established product, service or operational foundation and plans to drive export growth through systematic marketing activities. Common areas of support include overseas marketing campaigns, international business travel, participation in international trade fairs, promotional events abroad, and certain costs associated with entering export markets.

Businesses Need to Focus on More Than Just the Grant Amount

The value of EMDG is not limited to the amount of funding available; it also serves as a prompt for businesses to clarify their export pathways in advance. Before initiating the application process, businesses need to consider: Are target overseas markets clearly defined? Are marketing plans actionable? Do proposed expenses comply with programme requirements? Has the business prepared the necessary documentation, budgets and operational justifications?
DDDI Group research team considers EMDG not merely as an isolated grant application, but as an integral part of a broader overseas expansion strategy. For businesses intending to export, understanding programme rules, application timing and compliance requirements as early as possible improves readiness for future policy windows.

DDDI Group to Continue Monitoring Policy and Commercial Opportunities

As the Group continues to advance in project development, technology services, data analytics and cross-border operations, we will maintain our observation of government policies affecting enterprise growth, export support, innovation applications and industry investment.
Moving forward, DDDI Group research team will continue to collect and share relevant policy insights, helping partners, clients and industry participants better understand opportunities and changes within the Australian business environment. For businesses considering international promotion, export growth or overseas market expansion, EMDG represents a policy tool worth early awareness and ongoing attention.

MARKET INSIGHTS | AUSTRALIAN HOUSING PRICE GROWTH SLOWS AS MARKET DIVERGENCE BECOMES MORE EVIDENT

As Australia's property market moves into a period of adjustment, clearer differences are emerging across housing price performance, buyer demand, rental market conditions and regional markets. For DDDI Group, ongoing monitoring of market developments helps identify potential opportunities and risks across different cities, price segments and development locations.

Drawing on publicly available data, including Cotality Australia's *Monthly Home Value Index* (May 2026), first home buyer market analysis and ABS Lending Indicators, the DDDI Group research team has reviewed recent trends in Australia's residential property market. The data shows that national dwelling values increased by only 0.3% in April 2026, while dwelling values in both Sydney and Melbourne declined by 0.6%, weighing on overall market performance.

Sydney and Melbourne Weaken While Mid-Sized Capital Cities Remain Resilient

Sydney dwelling values have declined by 1.0% from their November 2025 peak, while Melbourne values remain 1.9% below their cyclical high. This reflects growing affordability pressures, reduced borrowing capacity and softer buyer confidence in higher-priced markets.

By comparison, several mid-sized capital cities continue to record growth. Perth dwelling values increased by 2.1% in April, while Darwin, Brisbane and Adelaide recorded monthly growth of 1.3%, 1.2% and 1.1% respectively. However, growth rates across these markets have moderated compared with previous periods.

Buyer Demand Softens While Lower-Priced and Regional Markets Show Greater Resilience

Estimated residential sales volumes across the major capital cities were 5.4% lower than the same period last year. Listing volumes have increased in both Sydney and Melbourne, while auction clearance rates have remained below 55%, indicating a more cautious approach from buyers.

Lower-priced housing segments have generally demonstrated greater resilience. In Sydney, for example, lower-priced detached housing has increased by 2.9% year-to-date, while the highest-priced segment has declined by 3.3%. At the same time, combined regional dwelling values increased by 4.2% during the first four months of 2026, outperforming the 1.8% growth recorded across the combined capital cities.

DDDI Group Will Continue Monitoring Market Developments

Despite slower housing price growth, Australia's rental market remains tight. The national vacancy rate stood at just 1.6% in April, while annual rental growth reached 5.7%, highlighting the ongoing influence of housing supply constraints and affordability challenges on market conditions.

the DDDI Group research team believes that future residential market performance will increasingly depend on differences between cities, regions, price segments and housing product types. The Group will continue to monitor market developments through its experience in property development, project management and data analytics, providing reference points for project assessment, investment decision-making and development strategy.

MAY REVIEW | FOCUS ON BUILDING CONTRACTS, DEVELOPMENT PROCESSES AND RISK MANAGEMENT: AUSTRALIAN PROPERTY DEVELOPMENT WORKSHOP

MAY 12, 2026 (TUESDAY) 6:00 PM – 9:00 PM

This month, DDDI Group hosted a specialised workshop centred on practical aspects of Australian property development, covering topics such as building contracts, project management, development processes and legal risk. Three speakers shared insights from the perspectives of legal contracts, construction cost estimation and project management, drawing on local case studies to outline key considerations from early-stage planning, contract execution to construction delivery.

In Australian property development, project success depends not only on land conditions but also on design strategy, approval processes, building contracts, builder selection, insurance arrangements and project management capability. Many risks are embedded in contract terms, payment schedules, construction milestones and legal liabilities. This workshop approached these issues from a practical perspective, helping owners, investors and development participants build a more comprehensive understanding of development risks.

Key Highlights:

Topic 1: Legal Insights into Building Contracts, Builder Insolvency and Building Indemnity Insurance (BII)

Kyle Lawson, a Partner at Lynch Meyer Lawyers specialising in residential building contracts and development-related legal risk management, shared a number of legal considerations that are often overlooked when signing a building contract. Topics discussed included cooling-off periods, construction commencement timeframes, builder insolvency risks,building indemnity insurance (BII) requirements and payment schedules.

When discussing builder insolvency, Kyle highlighted the importance of Building Indemnity Insurance (BII) as a key safeguard. Under South Australian regulations, a builder is legally required to arrange and pay for this insurance for any domestic building work valued at $20,000 or more that requires council approval. This policy serves as a critical protection for both the current owner and future owners, mitigating financial risks in the unfortunate event that the builder dies, disappears, or becomes insolvent during or after construction.

However, Kyle also noted that projects affected by builder insolvency can still be difficult to manage, even where insurance is in place. A replacement builder may be reluctant to take over an incomplete project due to concerns regarding previous workmanship, responsibility for existing works and potential future liabilities. As a result, builder selection should take into account not only price, but also financial stability, delivery capability and previous project experience.

Payment arrangements were another important focus of the presentation. Kyle explained that legal requirements apply to both payment structures and insurance coverage. Amounts paid to a builder should remain within reasonable limits for each stage of construction. Making payments in advance or exceeding the appropriate amount for a particular stage may affect the level of protection available under the insurance policy.

In other words, additional payments may not necessarily be protected and could potentially reduce an owner's entitlement to compensation if issues arise with the builder. For this reason, each payment should be carefully managed in accordance with contractual obligations, construction progress and relevant legal requirements.

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Topic 2: Analysing Builder Quotes, Budget Control and Hidden Costs

Chloe Hu, an estimator specialising in residential building quotes and cost-risk identification, emphasised that when reviewing a builder's quote, one should not simply compare the total price. Each component—including inclusions, exclusions, allowances, site costs and variation clauses—needs to be analysed to determine what is covered and what may incur additional expenses. This constitutes the first step in avoiding budget overruns.

A complete quote generally covers land, foundations, structural works, finishes and external works. The items most often overlooked—and which may result in additional costs—include foundation conditions, drainage, driveways, landscaping and interior upgrades. Different builders adopt different risk approaches: volume builders attract clients with low advertised prices, but these often exclude site costs, retaining walls or electrical upgrades; custom builders offer greater design flexibility but require more owner involvement, making budget control more challenging.

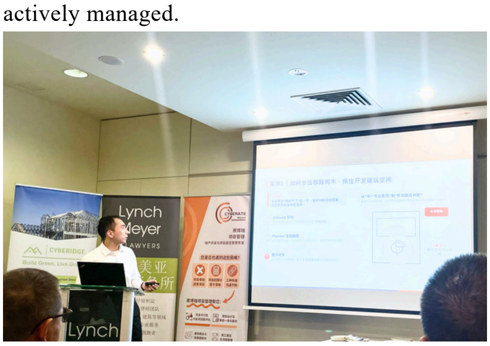
Chloe cautioned that 'a low price does not equate to a cheap project'. Some quotes artificially reduce the initial figure through large allowances, leaving key items blank, or marking site costs as 'TBC', leading to additional charges during construction. Recommendations prior to signing a contract include obtaining multiple quotes for a side-by-side comparison of inclusions, conducting a geotechnical survey to lock in site costs, reviewing all exclusions and 'by owner' items, and incorporating verbal commitments, allowance caps and variation charging mechanisms into the contract. These steps establish a clear budget framework and help mitigate hidden costs and overspending risks.

Topic 3: Understanding the Importance of Project Management through Residential Development Risk Identification

Lin Yuan, a consultant at Cyberate Project Management specialising in residential development execution and project coordination, noted that seemingly simple building projects often gain complexity due to repeated confirmations, pending approvals, and on-site adjustments. These issues typically accumulate during early-stage decision-making, communication, and construction sequencing.

Regarding early planning risks, Lin highlighted the impact of trees, allotment sizes, zoning, and performance assessments on development feasibility. For example, the presence of a single tree can fundamentally alter project returns; the key is to collaborate with arborists, planners, and the project team to identify compliant pathways. If a tree cannot be removed, the building layout and driveway design can be reconfigured to preserve project value.

In terms of builder communication, Lin stressed that residential construction is a continuous decision-making process. Each variation can affect drawings, procurement, scheduling, and budgets; therefore, the cascading effects of changing requirements must be actively managed.



On construction delay risks, Lin observed that delays frequently stem from disconnected trade sequences. Residential projects rely on multiple trades working sequentially; any disruption in timing forces a rescheduling of subsequent trades, allowing minor issues to escalate into significant delays. Beyond construction speed, on-site judgement and the velocity of decision-making are critical. If issues arise without prompt resolution, works may halt for weeks; conversely, a team capable of rapid decision-making can absorb and resolve problems dynamically. In summary, project risks must be identified, coordinated, and managed from the outset. The value of professional project management lies in mitigating unnecessary changes, delays, and budget overruns.

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