

Kyneton

Property Factsheet

1st Half 2018





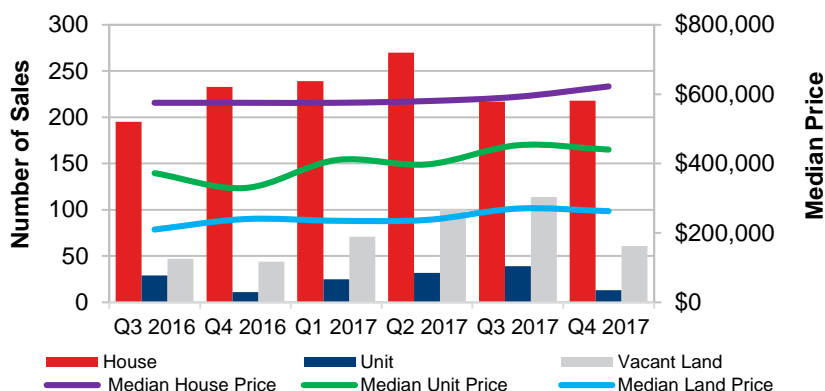
MARKET CONDITIONS

The Kyneton* property market recorded a median house price of \$507,500 and \$260,000 for vacant land in Q4 2017, representing an annual price change of 2.5% and 10.6% respectively. Over the same period of time house prices in the Shire of Macedon Ranges grew by 8.3% to \$622,000 and land prices grew by 9.4% to \$262,000. Kyneton* property prices are well below that of the Shire of Macedon Ranges, indicating it provides home owners and investors great entry price points with the benefit of positive growth.

Average days to sell in Kyneton has improved for houses over the past 12 months, currently at 53 days for houses in Q4 2017. This suggests increasing level of competition in the market. Between Q4 2016 to Q4 2017 average vendor discounting for houses has widened from -2.3% to -3.4%, suggesting that sellers are willing to accept offers lower than their first asking price. This indicates that now is the time for buyers to enter the property market.

Median rent for both houses and units in Kyneton improved over the past 12 months to Q4 2017, currently at \$400 per week and \$345 per week respectively. Within the same time frame, rental average days on market has improved for both houses and units, sitting at 26 days (houses) and 25 days (units). Low vacancy rates of 1.9% continue to demonstrate the strong demand in the area, and is below that of Melbourne (2.1%). Astute investors are benefiting from 3.9% (house) and 5.8% (unit) rental yields, which are higher than that of Melbourne's rental yields at 2.7% and 3.8%, respectively.

SHIRE OF MACEDON RANGES GROWTH



OVERVIEW

Located in the central region of Victoria, Kyneton's population was approx. 6,950 in the 2016 ABS Census. Of the families in Kyneton, the dominant group was couples without children (43.4%), followed by couples with children (39.5%), and single parent families (16.1%). Key industries include health care and financial services.

| Change from Last | Year | Half Year |
|--------------------|------|-----------|
| House Sales | ↑ | ↓ |
| House Median Price | ↑ | ↓ |
| House Rental Price | ↑ | ↔ |
| Land Sales | ↑ | ↓ |
| Land Median Price | ↑ | ↑ |
| Unit Rental Price | ↑ | ↑ |

FUTURE DEVELOPMENTS**

Kyneton and its surrounding suburbs are set to see approx. \$24.2M of new projects commencing in the 1st half of 2018. The majority is accounted for by commercial projects (62.3%), estimated at \$16.5M. This is followed by residential, at approx. \$5.1M (21.3%), and then by infrastructure projects (\$2.5M or 10.5%).

A key commercial project is construction of a new complex including a Coles supermarket and a St Johns Ambulance Station. This is estimated at approx. \$15.1M and will boost local job growth in Kyneton and neighboring areas.

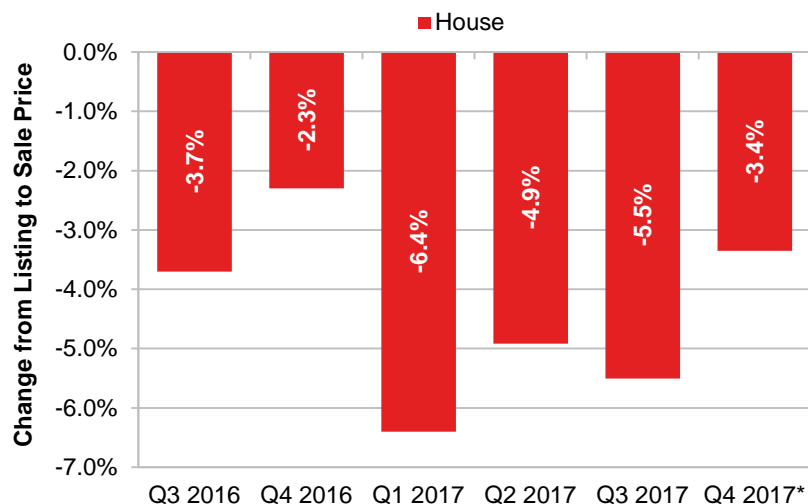
Another important project is the Davy Street Townhouses project, estimates at approx. \$4.0M. This project will add 14 townhouses and 38 residential lots to cater for forecasted population.

A key infrastructure project, the Kyneton Livestock Exchange and Truck Park Upgrade, estimated at approx. \$970K, will potentially increase employment in the region and have positive spill over effects such as increased demand for property.

*Kyneton market data and key indicators encapsulates property market conditions in the following suburbs: Kyneton.

**Estimated values are based on construction value provided by the relevant data authority and does not reflect commercial and/or re-sale value. Quoted construction and completion dates are estimate only, as per relevant data authority.
Source: APM Pricefinder, realestate.com.au, Real Estate Institute of Victoria, Shire of Macedon Ranges. © Copyright PRDNationwide 2018.

AVERAGE VENDOR DISCOUNT



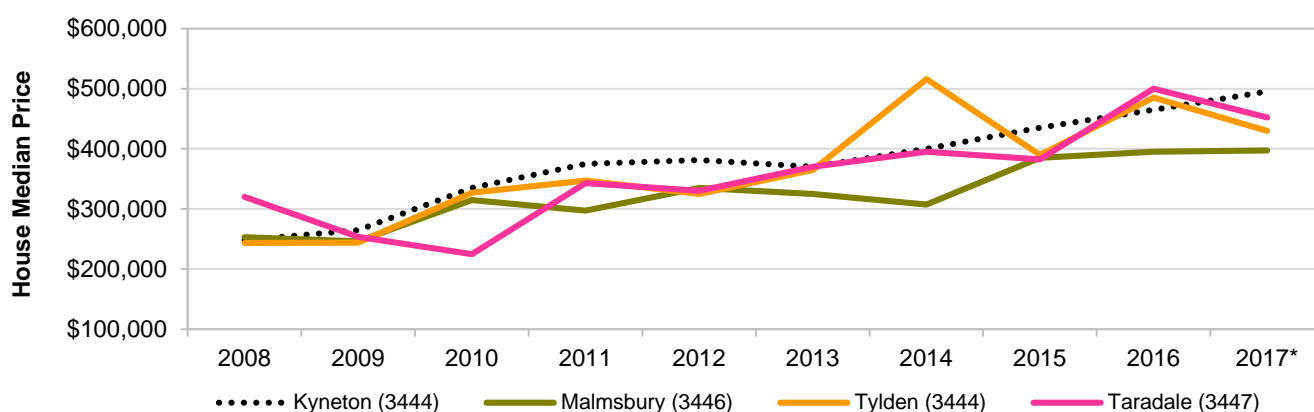
AVERAGE VENDOR DISCOUNT

Average vendor discount reflects the average percentage difference between first list price and final sold price. A lower percentage difference (closer to zero) suggests buyers are willing to purchase close to the first asking price of a property.

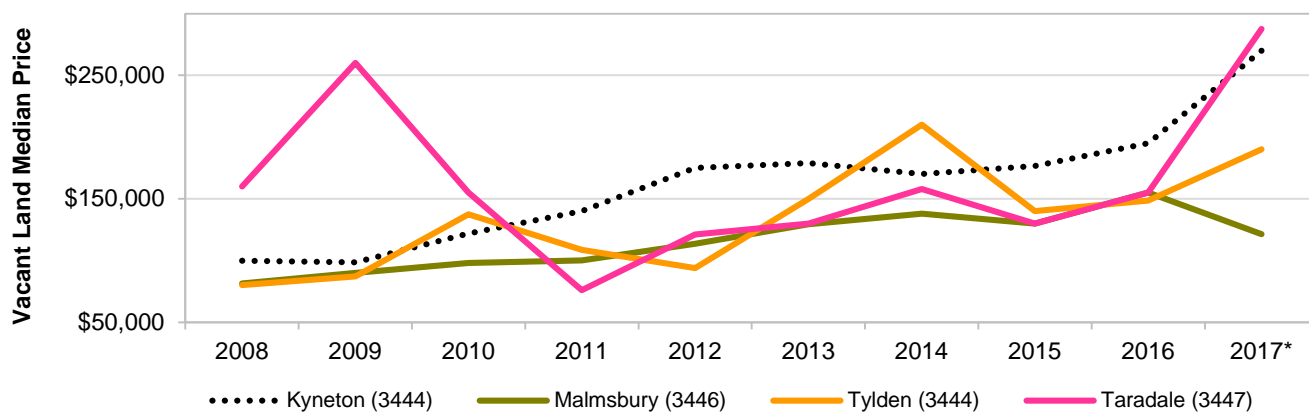
MARKET COMPARISON GRAPH

The market comparison graph provides comparative trend for median price of house and units over the past 10 years. Suburbs profiled are chosen based on proximity to the main suburb analysed in the factsheet, which is Kyneton. The main suburb is highlighted through a dotted black line graph.

HOUSE MARKET COMPARISON

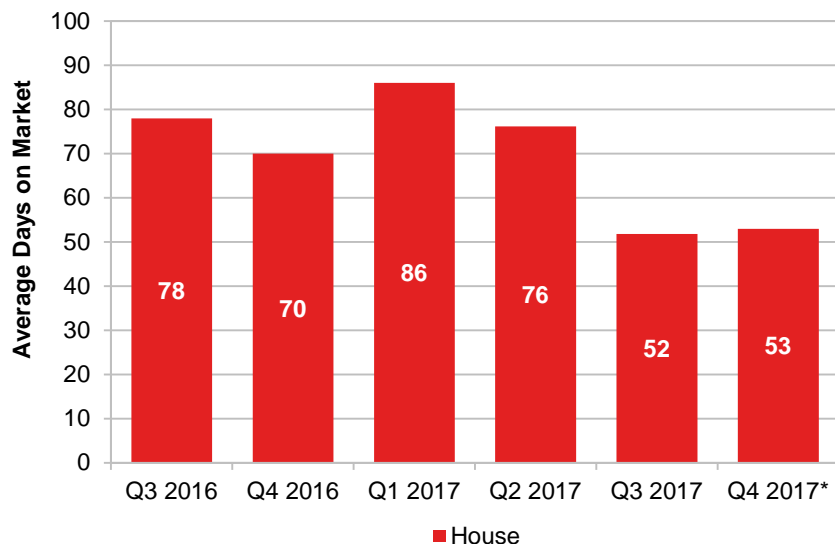


VACANT LAND MARKET COMPARISON



*Q4 2017 and 2017 data represents data from both Normal sales (i.e. settled sales transactions derived from Government sources) and Agents Advice sales (i.e. sales transactions not derived from Government sources).
Source: APM Pricefinder, realestate.com.au, Real Estate Institute of Victoria. © Copyright PRDNationwide 2018.

AVERAGE DAYS ON MARKET**



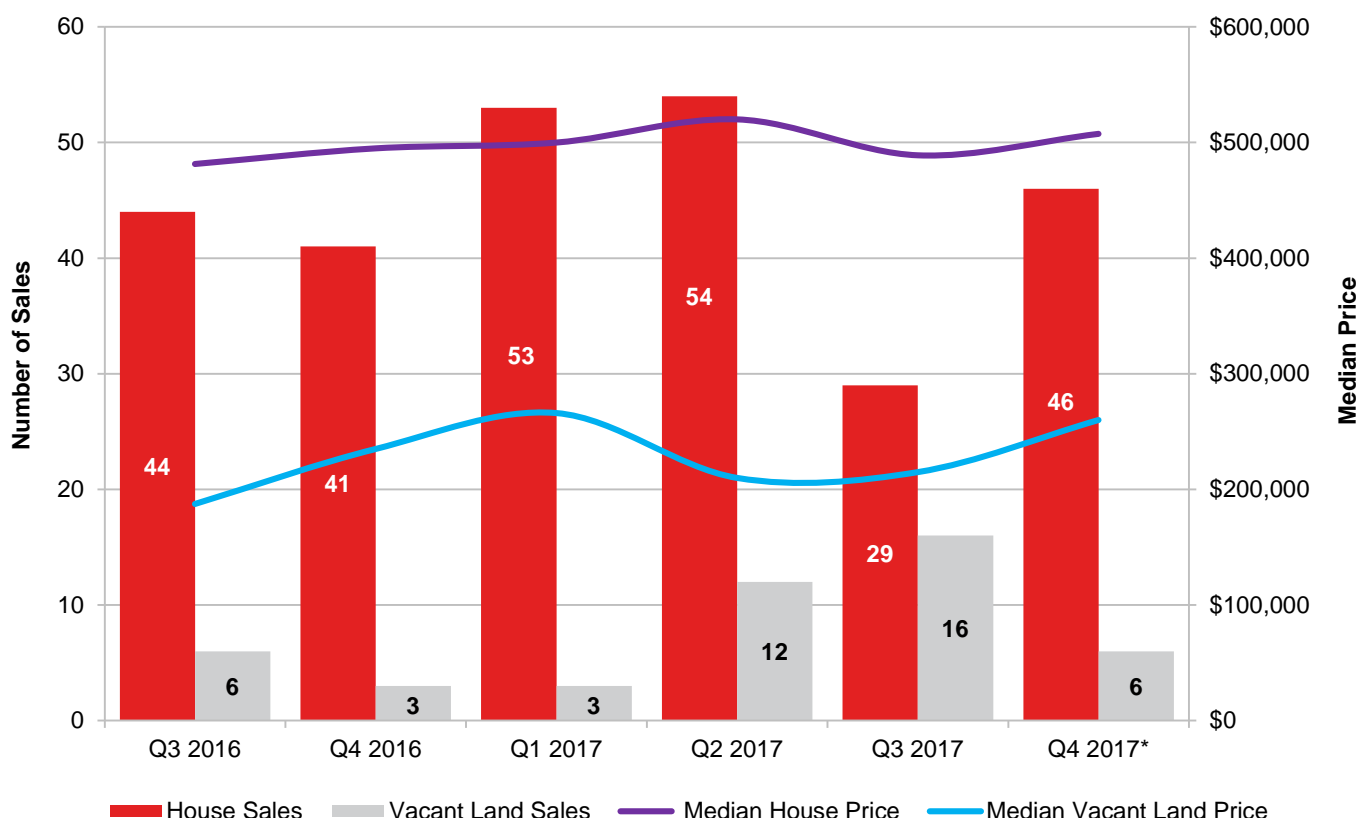
HOUSE KEY FACTS Q4 2017

Median Sale Price: \$507,500
Annual Growth: 2.5%***
Average Days on Market: 53
% Change between First Listed Price and Sold Price: -3.4%

LAND KEY FACTS Q4 2017

Median Sale Price: \$260,000
Annual Growth: 10.6%***
Average Days on Market: N/A
% Change between First Listed Price and Sold Price: N/A

SALES AND MEDIAN PRICE**



*Q4 2017 data represents data from both Normal sales (i.e. settled sales transactions derived from Government sources) and Agents Advice sales (i.e. sales transactions not derived from Government sources).

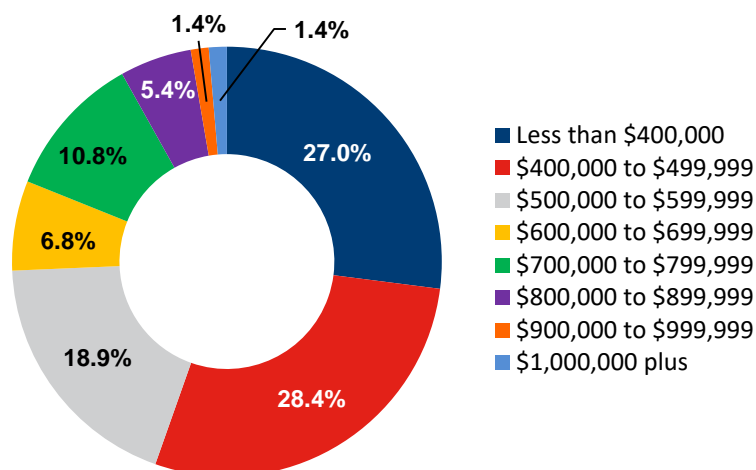
**Kyneton market data and key indicators encapsulates aggregate property market conditions in the following suburbs: Kyneton.

***Annual growth represents price growth for property transactions between Q4 2016 to Q4 2017 (inclusive).

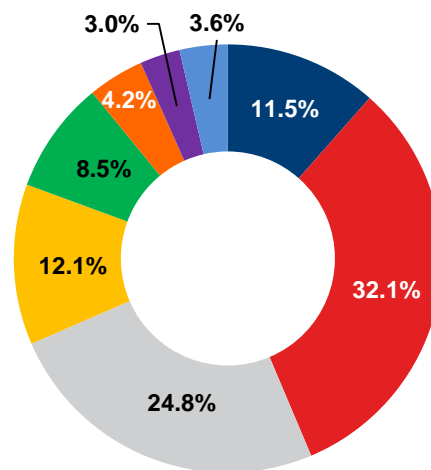
Source: APM Pricerfinder, realestate.com.au, SQM Research, Real Estate Institute of Victoria, Shire of Macedon Ranges. © Copyright PRDnationwide 2018.

SALES PRICE POINT ANALYSIS

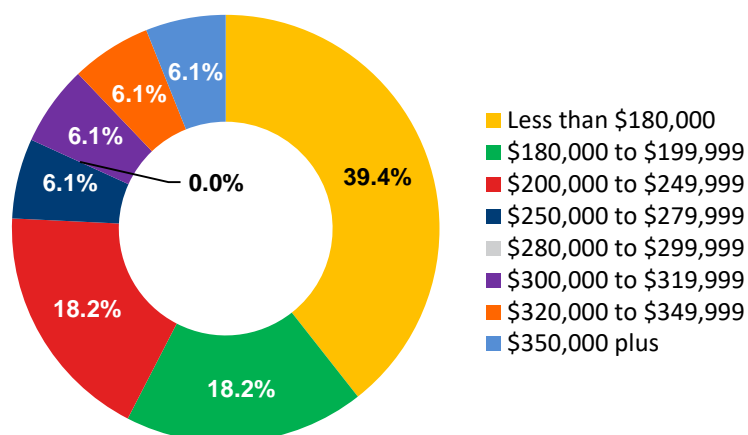
HOUSE PRICE POINT 2016



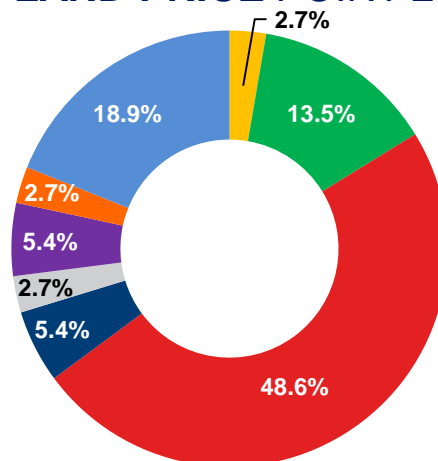
HOUSE PRICE POINT 2017



LAND PRICE POINT 2016



LAND PRICE POINT 2017



KEY IMPLICATIONS - HOUSE

The highest proportion of houses sold during Kyneton in 2017 was within the \$400K-\$500K price segment (32.1%). This is a continued trend from 2016, however at a larger proportion (28.4% in 2016), which indicates Kyneton continues to offer an affordable entry point for home owners and investors alike.

Sales in the \$500-\$600k segment increased to 24.8% in 2017, while sales in \$600K to \$700K segment increased to 12.1% respectively. This signals a major shift in the structure of sales in Kyneton compared to the same period in 2016, reflective of the high quality of housing stock entering the Kyneton market.

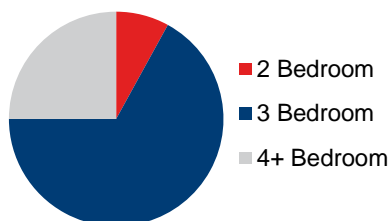
KEY IMPLICATIONS - LAND

Kyneton experienced a major shift in the structure of land sales. The majority of vacant land sold in Kyneton during 2017 (48.6%) was mainly within the \$200K-\$250K price segment. Compared to the same period in 2016, the majority was within the less than \$200K price segment.

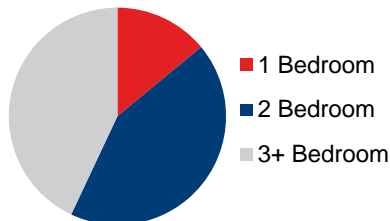
In 2017 the Kyneton market had an increased level of access to higher priced vacant land. Vacant land sales above \$350K tripled while sales within a new price bracket of \$280K-\$300K expanded (2.7%). Combined, the shift in the structure of price points suggests that buyers are prepared to take on the cost of developing vacant land to build their dream homes.

INVESTMENT ANALYSIS

HOUSE



UNIT



KEY COMMENTS

Kyneton and its surrounding suburbs experience high interest, recording 686 online visits per property. Median rent for houses saw an increase of 5.3% over the past 12 months to Q4 2017, whilst units increased significantly by 43.8%. Over this period of time the number of properties rented has declined significantly, suggesting an undersupply. Considering Kyneton's house median price affordability when compared to its LGA or Melbourne Metro, now is the time for astute investors to enter the market.

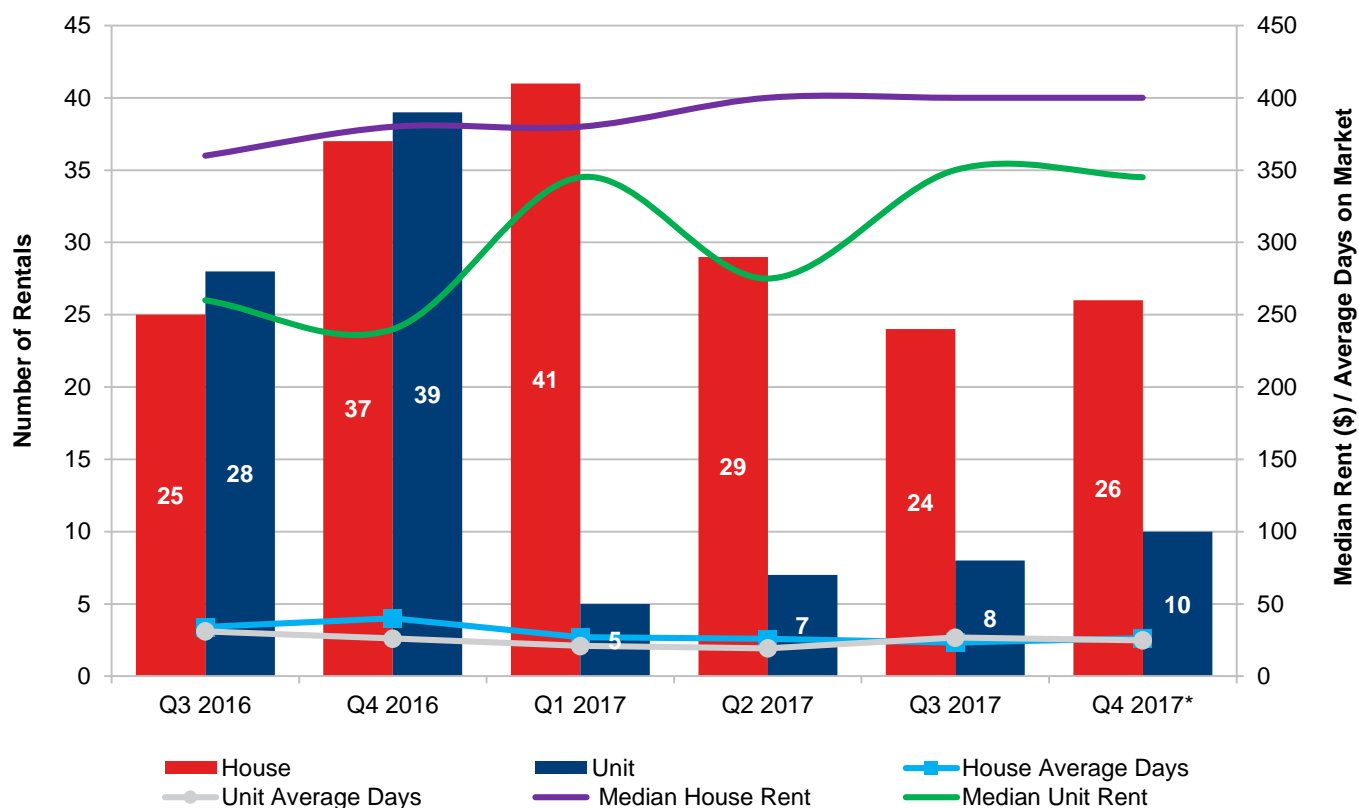
HOUSE KEY FACTS Q4 2017

Median Rent Price: \$400 per week
Suburb Rental Yield: 3.9%
Average Days on Market: 26
Bedroom Breakdown:
2 Bed: 8%, 3 Bed: 67%, 4+ Bed: 25%

UNITS KEY FACTS Q4 2017

Median Rent Price: \$345 per week
Suburb Rental Yield: 5.8%
Average Days on Market: 25
Bedroom Breakdown:
1 Bed: 14%, 2 Bed: 43%, 3+ Bed: 43%

MEDIAN RENT AND AVERAGE DAYS ON MARKET**

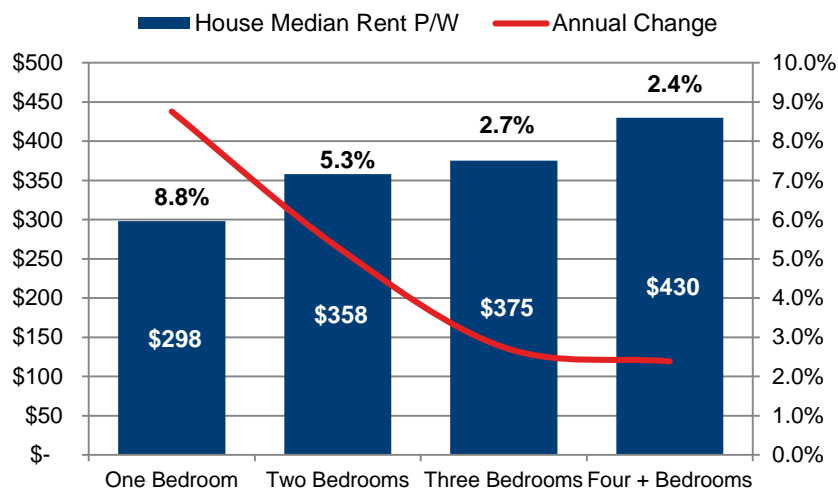


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**Kyneton market data and key indicators encapsulate aggregate property market conditions in the following suburbs: Kyneton.

Source: APM Pricerfinder, realestate.com.au, SQM Research, Australian Bureau of Statistics, Real Estate Institute of Victoria. © Copyright PRDnationwide 2018.

RENTAL PERFORMANCE 2017



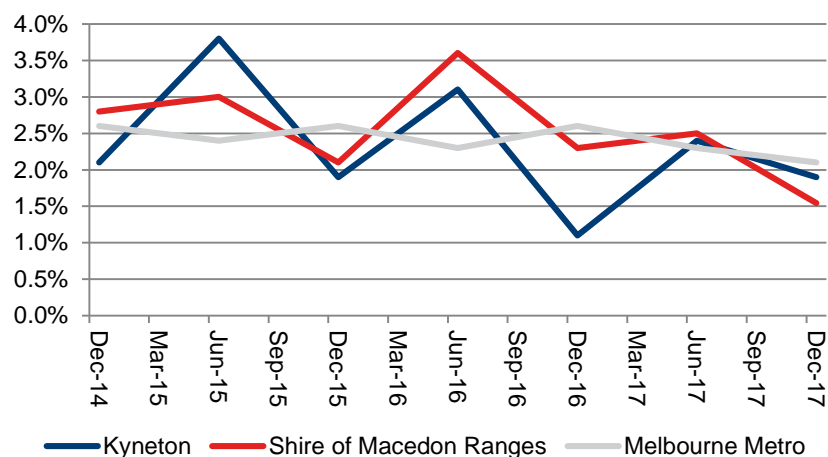
KEY COMMENTS

Kyneton rental returns are strong, with house and unit yields of 3.9% and 5.8% respectively. This is well above the Shire of Macedon Ranges (3.8% and 4.6%), and Melbourne Metro (2.7% and 3.8%)..

1 bedroom houses provide the highest annual rental growth, at 8.8%.

Vacancy rates in Kyneton experienced a recovery after fluctuating over the past 12 months, currently sits 1.9%. Not only is this below Melbourne Metro's vacancy rate of 2.1%, it is also on a steeper declining trend, suggesting a healthier rental demand. This confirms Kyneton as an investment hotbed.

VACANCY RATES 2017



RENTAL YIELD 2017

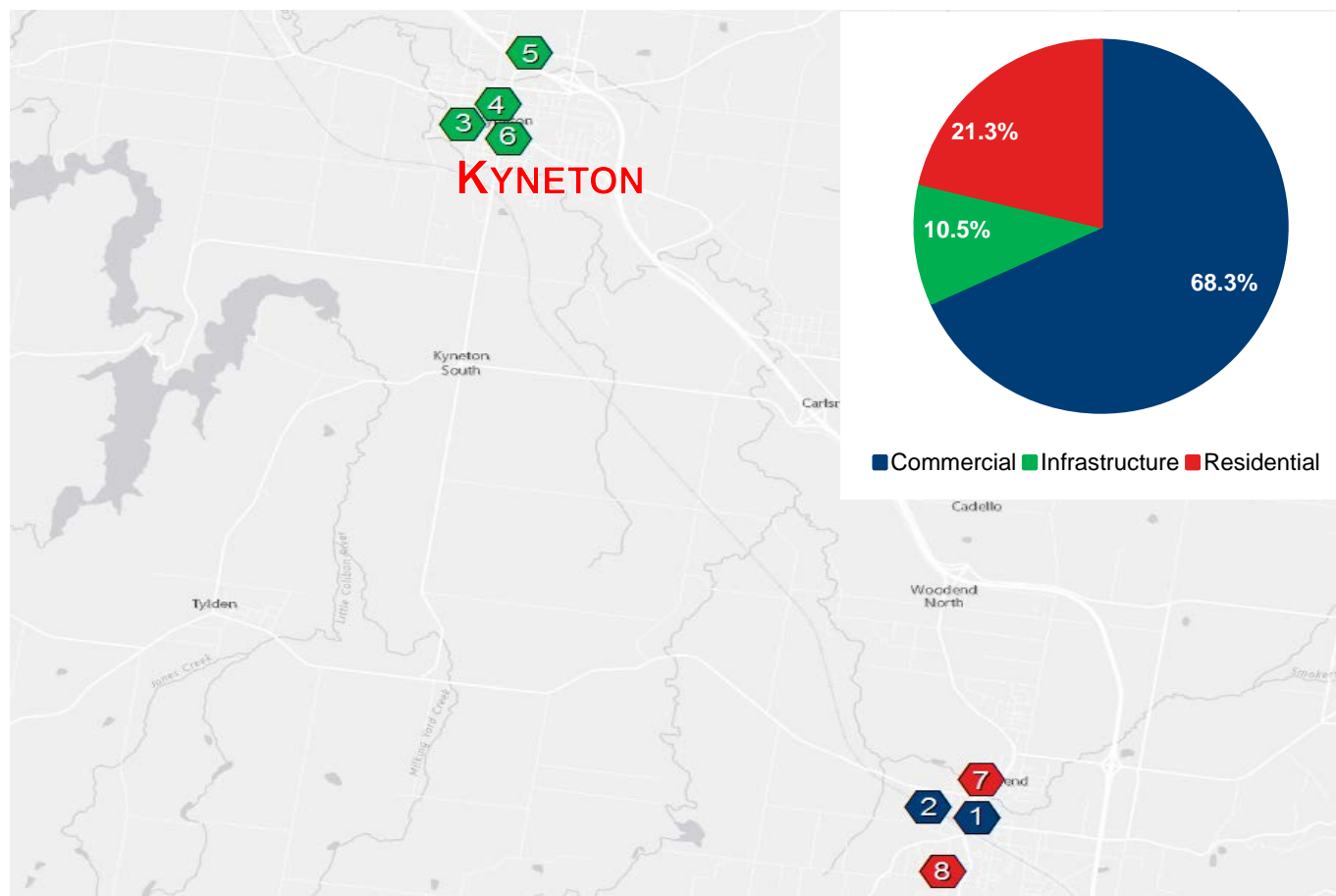
| Suburb/ Postcode/ LGA | House Rental Yield | Unit Rental Yield |
|-----------------------------|--------------------------|-------------------------|
| Kyneton (3444) | 3.9% | 5.8% |
| Malmsbury (3446) | 4.0% | - |
| Taradale (3447) | 3.5% | - |
| Shire of Macedon Ranges | 3.8% | 4.6% |
| Melbourne Metro | 2.7% | 3.8% |

KEY HOUSING DEMOGRAPHICS

| | Kyneton | Shire of Macedon Ranges | Victoria |
|------------------------------------|---------|-------------------------|----------|
| Median weekly household income | \$1,221 | \$1,776 | \$1,402 |
| Median monthly mortgage repayments | \$1,600 | \$1,842 | \$1,733 |
| Unemployed | 4.4% | 4.4% | 6.6% |
| Professionals | 19.7% | 21.6% | 23.3% |
| Owned outright | 38.8% | 35.3% | 32.3% |
| Owned with mortgage | 36.1% | 48.8% | 35.3% |
| Rented | 21.9% | 13.3% | 28.7% |

*Rental performance graph represents aggregate house median rent price in the following suburbs: Kyneton. Annual change is a comparison between 2016 and 2017 median rent figures. Source: APM Pricerfindr, SQM Research, Australian Bureau of Statistics Census 2016. © Copyright PRDnationwide 2018.

PROJECT DEVELOPMENT MAP 1ST HALF 2018*



| Location | Project** | Type | Estimated Value*** | Commence Date**** |
|----------|---|----------------|--------------------|-------------------|
| 1 | Coles Supermarket Woodend | Commercial | \$15,000,000 | 16/04/2018 |
| 2 | Holgate Brewhouse | Commercial | \$1,500,000 | 05/03/2018 |
| 3 | Kyneton Livestock Exchange & Truck Park Upgrade | Infrastructure | \$970,000 | 05/01/2018 |
| 4 | Kyneton Office & Town Hall | Infrastructure | \$560,000 | 04/06/2018 |
| 5 | Kyneton Saleyards Upgrade | Infrastructure | \$500,000 | 12/03/2018 |
| 6 | Kyneton Campaspe River Trail | Infrastructure | \$500,000 | 19/04/2018 |
| 7 | Davy Street Townhouses (14 dwellings) | Residential | \$4,000,000 | 11/01/2018 |
| 8 | Goldies Lane Residential Subdivision (38 lots) | Residential | \$1,140,000 | 09/04/2018 |

*Disclaimer: Project development map showcases a sample of upcoming projects only, due to accuracy of addresses provided by the data provider for geocoding purposes.

**Projects refer to the top developments within the suburbs of: Kyneton, Woodend, Newham, Sidonia, Baynton, Spring Hill, New Gisborne.

***Estimated value is the value of construction costs provided by relevant data authority, it does not reflect the project's sale/commercial value

****Commencement date quoted for each project is an approximate only, as provided by the relevant data authority, PRDnationwide does not hold any liability to the exact date.

Source: Cordell Database, ESRI ArcGIS, Department of Environment, Land, Water and Planning Victoria, Shire of Macedon Ranges. © Copyright PRDnationwide 2018.

ABOUT PRDnationwide RESEARCH

PRDnationwide's research division provides reliable, unbiased, and authoritative property research and consultancy to clients in metro and regional locations across Australia

Our extensive research capability and specialised approach ensures our clients can make the most informed and financially sound decisions about residential and commercial properties.

OUR KNOWLEDGE

Access to accurate and objective research is the foundation of all good property decisions

As the first and only truly knowledge based property services company, PRDnationwide shares experience and knowledge to deliver innovative and effective solutions to our clients.

We have a unique approach that integrates people, experience, systems and technology to create meaningful business connections. We focus on understanding new issues impacting the property industry; such as the environment and sustainability, the economy, demographic and psychographic shifts, commercial and residential design; and forecast future implications around such issues based on historical data and fact.

OUR PEOPLE

Our research team is made up of highly qualified researchers who focus solely on property analysis

Skilled in deriving macro and micro quantitative information from multiple credible sources, we partner with clients to provide strategic advice and direction regarding property and market performance. We have the added advantage of sourcing valuable and factual qualitative market research in order to ensure our solutions are the most well considered and financially viable.

Our experts are highly sought after consultants for both corporate and government bodies and their advice has helped steer the direction of a number of property developments and secured successful outcomes for our clients.

OUR SERVICES

Our research services span over every suburb, LGA, and state within Australia; captured in a variety of standard and customized products

We have the ability and systems to monitor market movements, demographic changes and property trends. We use our knowledge of market sizes, price structure and buyer profiles to identify opportunities for clients and provide market knowledge that is unbiased, thorough and reliable.



OUR SERVICES INCLUDE:

- Advisory and consultancy
- Market Analysis including profiling and trends
- Primary qualitative and quantitative research
- Demographic and target market Analysis
- Geographic information mapping
- Project Analysis including product and pricing recommendations
- Rental and investment return analysis

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