Ballarat

Property Factsheet

1st Half 2018

PRD
nationwide

MARKET CONDITIONS

The Ballarat* property market is moving quickly. Houses recorded a median price of $425,000 and units recorded $255,000 in Q1 2018, representing an annual price change of 21.4% and 1.0% respectively. Over the same period of time, house prices in the City of Ballarat Local Government Area (LGA) grew by 8.9% to $361,000 and unit prices grew by 2.6% to $241,000. Compared to the LGA, properties command a premium price in the Ballarat* market. Home owners can be excited about the high level of capital growth in the Ballarat* house market, more than double the LGA growth rate. In this fast-paced market home buyers and investors need to be ready to move quickly to secure their dream property.

Over the past 12 months to Q1 2018 average vendor discounting for houses has tightened to -2.5%, suggesting sellers are achieving closer to their first asking price and are benefitting from a high demand housing market. On the other hand, the unit market has been sluggish with average vendor discounting widening to -5.7% in Q1 2018. That said, this is balanced out with positive annual growth in median unit prices. Now is the perfect time for first home buyers to capitalise on an increasingly affordable unit market.

Ballarat* has a very high proportion (40.6%) of residents occupying rented dwellings, which is great news for existing and potential investors. Over the past 12 months to Q1 2018, median rent in Ballarat* has increased for houses to $310 per week, while median rent for units currently sits at $260 per week. Investors are benefiting from rental yields of 5.6% (houses) and 4.1% (units), well above that of Melbourne Metro's 2.9% (house) and 3.8% (units) rental yields. These conditions, combined with low and downward trending vacancy rates, point to reduced risks for investors looking for sustainable investment options. Now is the time to invest in a lucrative market such as Ballarat*.

CITY OF BALLARAT LGA GROWTH
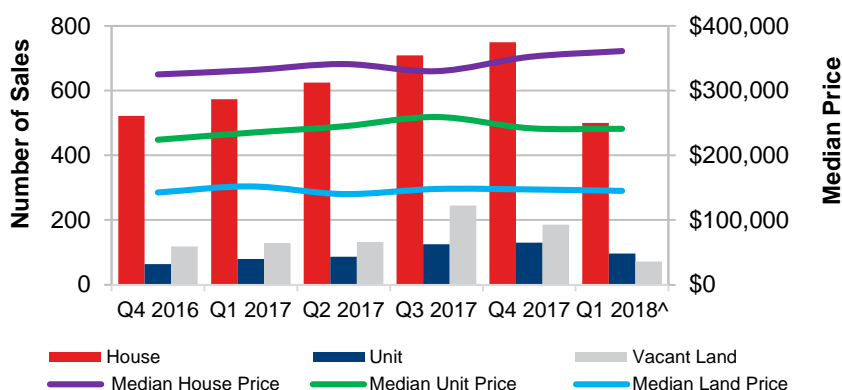
OVERVIEW

Located approx. 116km from Melbourne's CBD, the city of Ballarat's population was 104,355 in 2016, which has increased by 3.6% over the last 5 years. Over the same period of time, stock decreased by -1.6%. This points to a highly competitive market in Ballarat*, where demand outstrips supply. New stock is needed now to cater for increasing population.

CHANGE FROM LAST	YEAR	HALF YEAR
House Sales	↓	↓
House Median Price	↑	↑
House Rental Price	↑	↑
Unit Sales	↑	↓
Unit Median Price	↑	↑
Unit Rental Price	↓	↓

FUTURE DEVELOPMENTS**

Ballarat* is set to see approx. $177.0M of new projects commencing in the 1st half of 2018. Commercial accounted for the majority of development value ($86.9M or 49.1%), followed by infrastructure ($42.0M or 23.7%), residential ($17.8M or 10.1%), mixed-use ($17.5M or 9.9%) and industrial ($12.8M or 7.2%).

A key mixed-use project worth approx. $17.5M is the Lyons & Dawson Streets Mixed Use Development. This will deliver 38 units to cater for increasing population in the area. Residential projects will also deliver another 88 dwellings starting in the 1st half of 2018. These include the Alfred Street Townhouses (21), St Pauls Way Residential Development Stage 2 (29 units), Bells Lane Townhouses (20), and Yarrowee Street Dwellings (18).
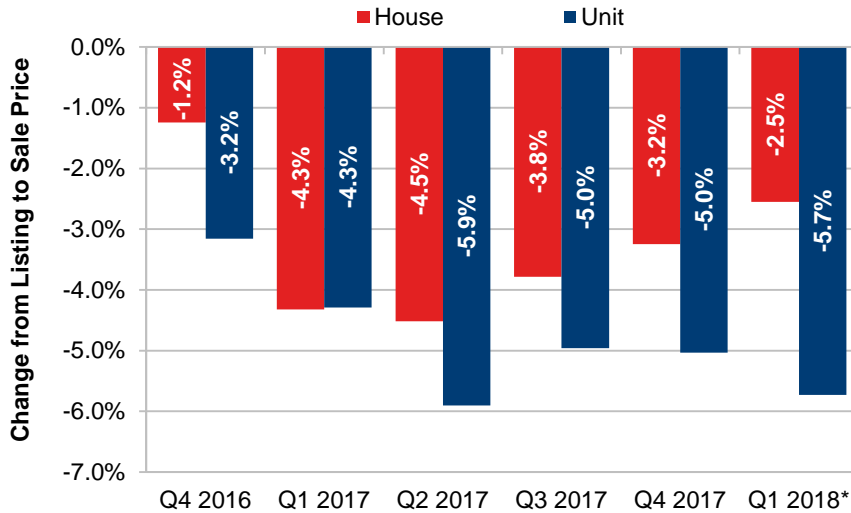
There will be positive spill-over benefits for the Ballarat* real estate market from commercial projects such as the Lal Lal Wind Farm Project (approx. $75.0M) and infrastructure projects such as the Ballarat Aviation Emergency Services Hub (approx $32.0M). These projects will provide a good balance to the increase in dwelling stock, through local job creation and sustainable economic growth.

AVERAGE VENDOR DISCOUNT

■ House ■ Unit

Change from Listing to Sale Price

	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018*
House	-1.2%	-4.3%	-4.5%	-3.8%	-3.2%	-2.5%
Unit	-3.2%	-4.3%	-5.9%	-5.0%	-5.0%	-5.7%

HOUSE MARKET COMPARISON

House Median Price

······ Ballarat Central —— Ballarat East —— Ballarat North —— Wendouree

UNIT MARKET COMPARISON

House Median Price

······ Ballarat Central —— Ballarat East —— Ballarat North —— Wendouree

*Q1 2018 information 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. © Copyright PRDnationwide 2018.

AVERAGE DAYS ON MARKET**

	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018*
House	55	81	77	54	46	62
Unit	55	83	129	68	67	91

Legend: House, Unit, Overall Market Trend

HOUSE KEY FACTS Q1 2018

Median Sale Price: $425,000
Annual Growth: 21.4%***
Average Days on Market: 62
% Change between First Listed Price and Sold Price: -2.5%

UNIT KEY FACTS Q1 2018

Median Sale Price: $255,000
Annual Growth: 1.0%***
Average Days on Market: 91
% Change between First Listed Price and Sold Price: -5.7%

SALES AND MEDIAN PRICE**

	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018*
House Sales	329	390	442	426	487	327
Unit Sales	40	55	69	94	85	70

Legend: House Sales, Unit Sales, Median House Price, Median Unit Price
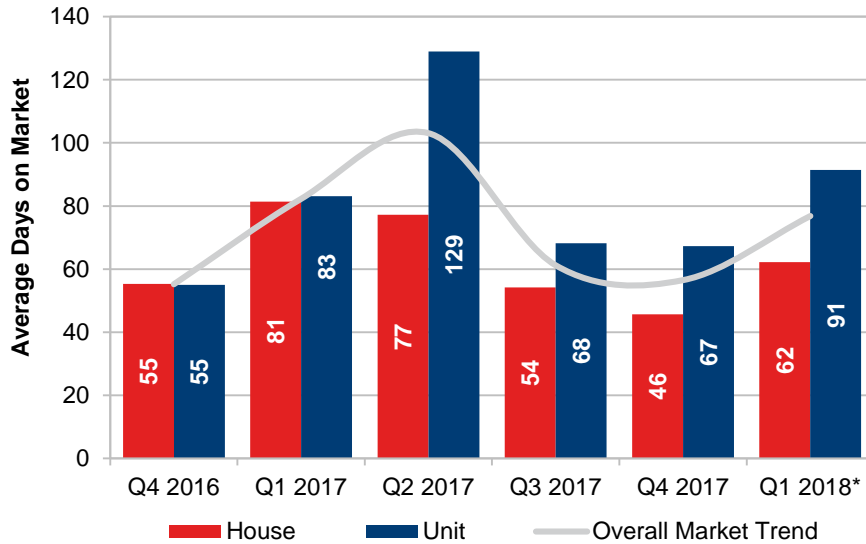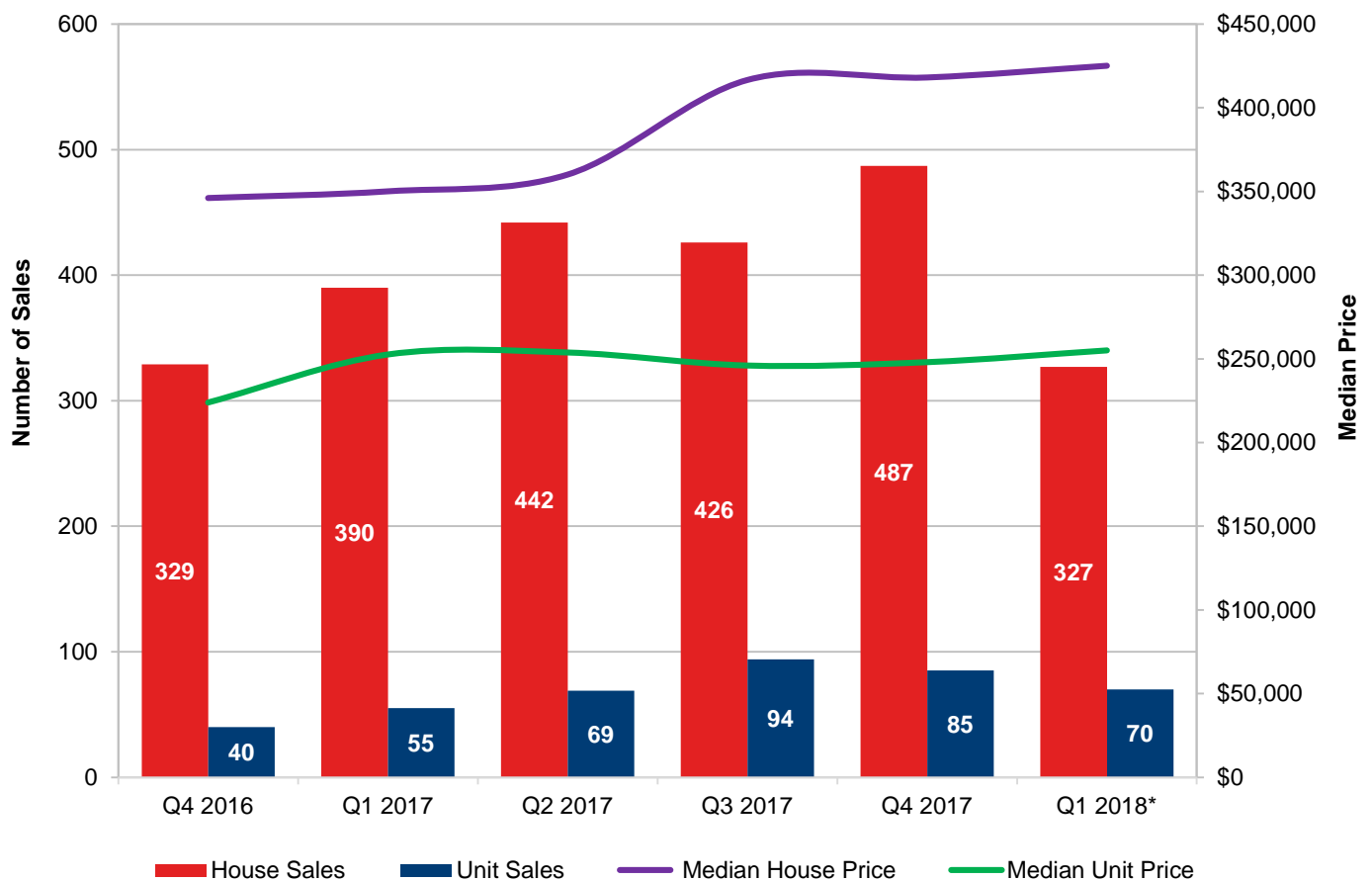
*Q1 2018 information represents data from both Normal sales (i.e. settled sales transactions derived from Government sources) and Agents Advice sales (i.e. sales transactions not derived from Government sources).
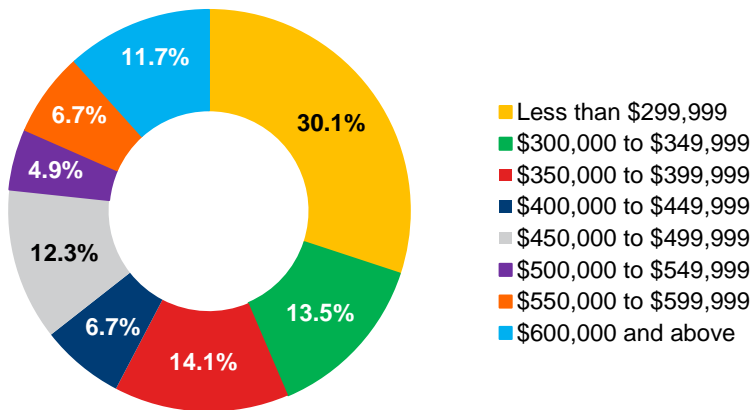**Ballarat market data and key indicators encapsulates aggregate property market conditions in the following postcode: 3350.
***Annual growth represents price growth for property transactions between Q1 2017 to Q1 2018 (inclusive).
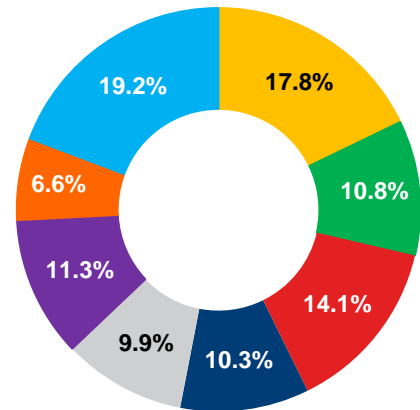Source: APM Pricefinder, realestate.com.au, SQM Research. © Copyright PRDnationwide 2018.
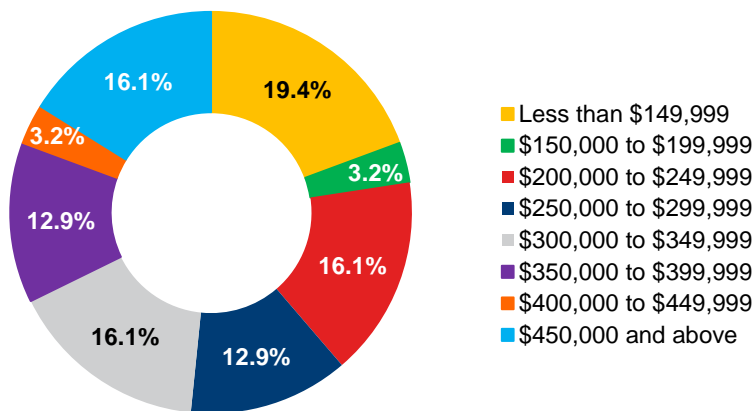
SALES PRICE POINT COMPARATIVE ANALYSIS
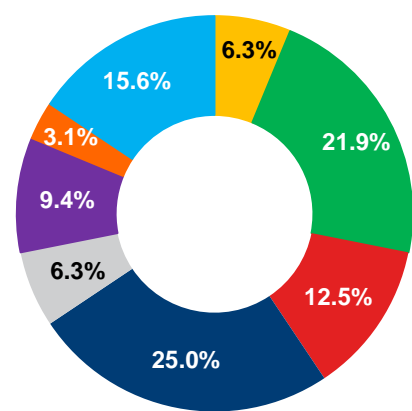
HOUSE PRICE POINT 2016

- 30.1% Less than $299,999
- 13.5%
- 14.1%
- 6.7%
- 12.3%
- 4.9%
- 6.7%
- 11.7%

Legend:
- Less than $299,999
- $300,000 to $349,999
- $350,000 to $399,999
- $400,000 to $449,999
- $450,000 to $499,999
- $500,000 to $549,999
- $550,000 to $599,999
- $600,000 and above

HOUSE PRICE POINT 2017

- 17.8%
- 10.8%
- 14.1%
- 10.3%
- 9.9%
- 11.3%
- 6.6%
- 19.2%

UNIT PRICE POINT 2016

- 19.4%
- 3.2%
- 16.1%
- 12.9%
- 16.1%
- 12.9%
- 3.2%
- 16.1%

Legend:
- Less than $149,999
- $150,000 to $199,999
- $200,000 to $249,999
- $250,000 to $299,999
- $300,000 to $349,999
- $350,000 to $399,999
- $400,000 to $449,999
- $450,000 and above

UNIT PRICE POINT 2017

- 6.3%
- 21.9%
- 12.5%
- 25.0%
- 6.3%
- 9.4%
- 3.1%
- 15.6%

KEY IMPLICATIONS - HOUSE

The proportion of houses sold in Ballarat* during 2017 were primarily in the price segment above $600K (19.2%). In 2016 the dominant price segment was the most affordable price segment, which was less than $300K (30.1%). The most affordable price segment has almost been halved to 17.8% in 2017, indicating a significant shift in affordability conditions.

Although Ballarat* is shifting towards a more premium market, there are plenty of budget-friendly opportunities available in every price bracket. This is welcome news for first home buyers and investors looking to enter the market or add to their property portfolio, although they need to act quickly to secure their dream property.

KEY IMPLICATIONS - UNIT

The proportion of units sold in Ballarat* during 2017 were mostly in the $250-$300K price segment (25.0%), which is a stark contrast to 2016 as the dominant price bracket then was less than $150K. In 2017, thr proportion of sales in the most affordable price bracket (less than $150K) fell from 19.4% to 6.3%. This signals a major shift in the affordability of unit prices in Ballarat*, when compared to the same period 12 months prior.
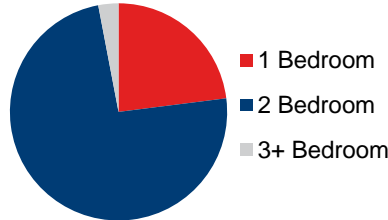
That said, the second most affordable price bracket ($150K-$200K) grew from 3.2% to 21.9%. This suggests that there are still opportunities for entering the Ballarat unit market at the lower end of the market, which will provide attractive options for first home buyers.

INVESTMENT ANALYSIS

HOUSE

- 2 Bedroom
- 3 Bedroom
- 4+ Bedroom

UNIT

- 1 Bedroom
- 2 Bedroom
- 3+ Bedroom
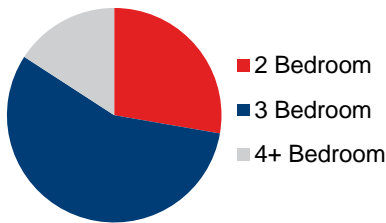
HOUSE KEY FACTS Q1 2018

Median Rent Price: $310 per week
Rental Yield: 5.6%
Average Days on Market: 24
Bedroom Breakdown:
2 Bed: 28%, 3 Bed: 57%, 4+ Bed: 16%

UNIT KEY FACTS Q1 2018

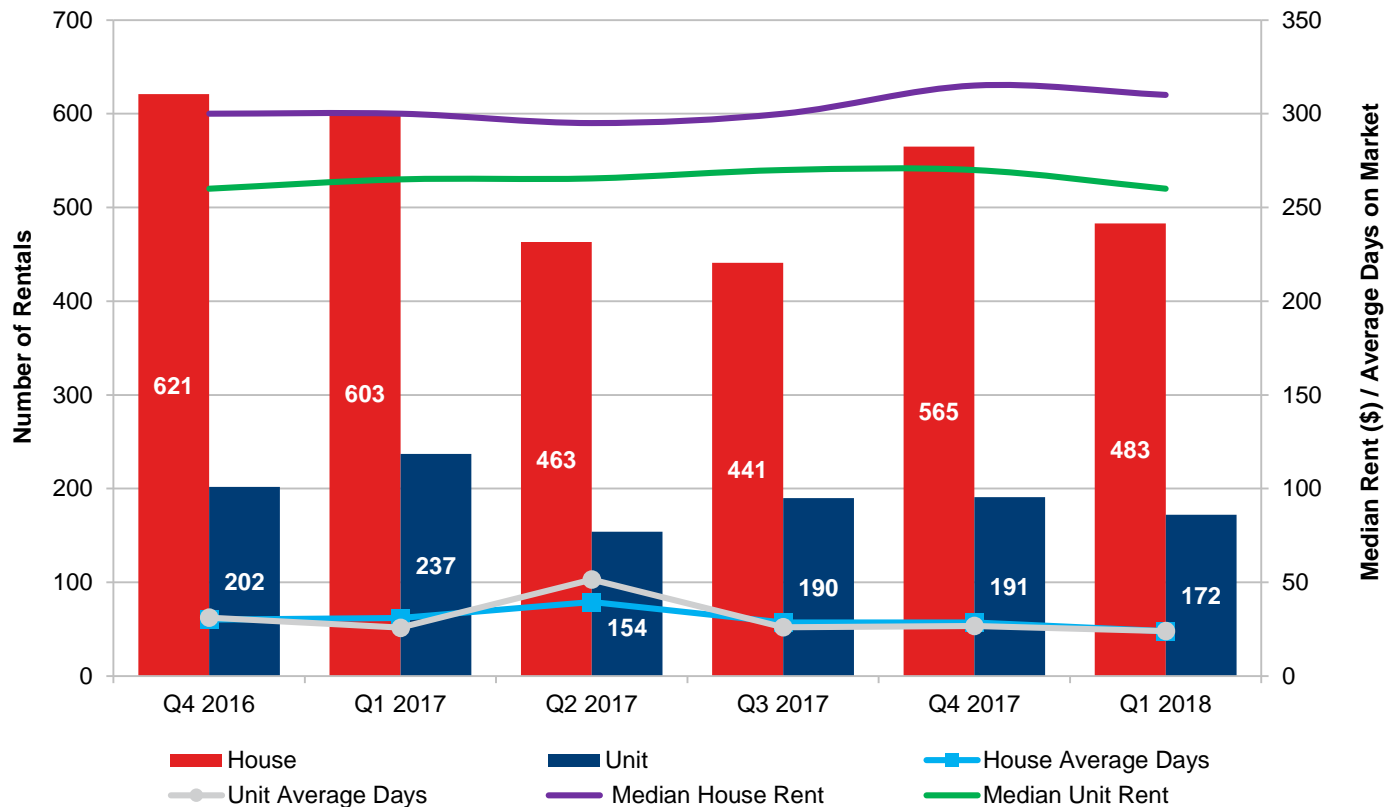**Median Rent Price**: $260 per week
Rental Yield: 4.1%
Average Days on Market: 24
Bedroom Breakdown:
1 Bed: 23%, 2 Bed: 74%, 3+ Bed: 3%

KEY COMMENTS

Ballarat* is a high demand market, recording an average of 1,091 online visits per property. Over the past 12 months to Q1 2018 median rent for houses continued an increasing trend (by 3.3%) to $310 per week, whilst units softened slightly (by -1.9%) to $260 per week. Strong rental demand is further indicated by the short time on market and low vacancy rates, thus renters need to be quick to select properties or risk missing out. This provides investors with a high level of confidence to enter the market now and benefit from a strong market.

MEDIAN RENT AND AVERAGE DAYS ON MARKET*

Number of Rentals | Median Rent ($) / Average Days on Market

	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018
House	621	603	463	441	565	483
Unit	202	237	154	190	191	172

Legend:
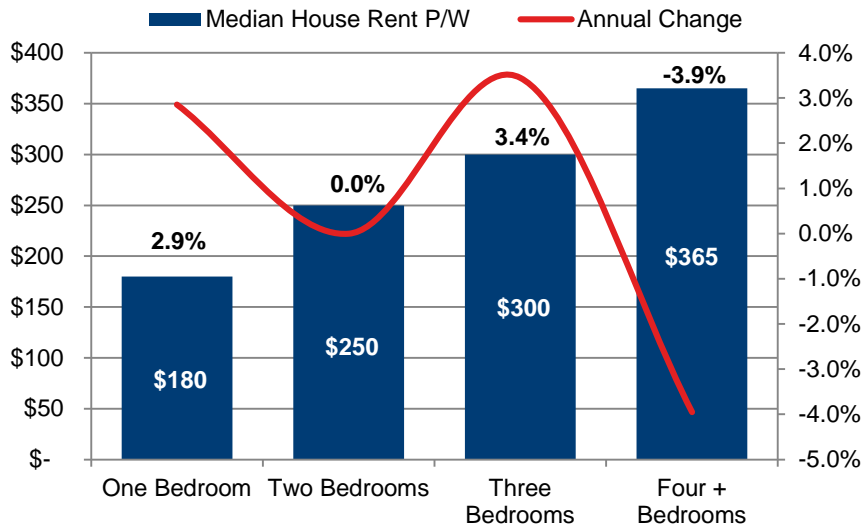- House
- Unit
- House Average Days
- Unit Average Days
- Median House Rent
- Median Unit Rent

*Ballarat market data and key indicators encapsulates aggregate property market conditions in the following postcode: 3350.
Source: APM Pricefinder, realestate.com.au, SQM Research. © Copyright PRDnationwide 2018.

RENTAL PERFORMANCE 2017*

Legend: Median House Rent P/W · Annual Change

- One Bedroom: $180, 2.9%
- Two Bedrooms: $250, 0.0%
- Three Bedrooms: $300, 3.4%
- Four + Bedrooms: $365, -3.9%

KEY COMMENTS

Rental returns are particularly strong in Ballarat* at 5.6% (houses) and 4.1% (units) respectively. This is well above that of Melbourne Metro's rental yields of 2.9% (houses) and 3.8% (units) and is also supported by strong returns for surrounding suburbs in the LGA (4.4% for houses and 5.4% for units).

Three bedroom houses provide the highest annual rental growth at 3.4%, at $300 per week during 2017.

Vacancy rates in Ballarat are low and have been on a downward trend over the past 3 years. This gives investors a high level of confidence as there is high and improving rental demand.

VACANCY RATES 2017

Legend: Ballarat · City of Ballarat · Melbourne
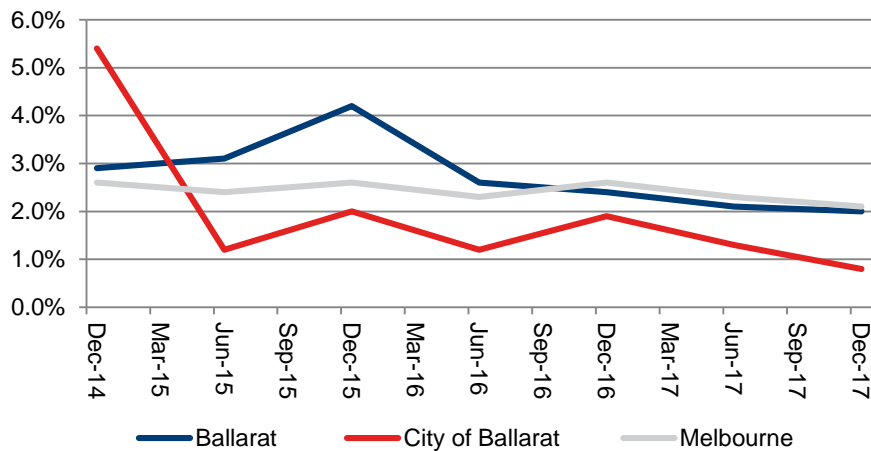
RENTAL YIELD 2017

Suburb/ Postcode/ LGA	House Rental Yield	Unit Rental Yield
Ballarat	5.6%	4.1%
City of Ballarat	4.4%	5.4%
Melbourne Metro	2.9%	3.8%

KEY HOUSING DEMOGRAPHICS

	Ballarat (3350)	Ballarat City LGA	Victoria
Median weekly household income	$1,165	$1,160	$1,419
Median monthly mortgage repayments	$1,300	$1,350	$1,728
Unemployed	8.0%	7.1%	6.6%
Professionals	33.4%	21.8%	23.3%
Owned outright	30.0%	32.1%	32.3%
Owned with mortgage	27.0%	33.0%	35.3%
Rented	40.6%	31.4%	28.7%

*Rental performance graph represents aggregate house median rent prices in the following postcode: 3350. Annual change is a comparison between 1 March 2016 and 2017 median rent figures.
Source: APM Pricefinder, SQM Research, ABS Census 2016. © Copyright PRDnationwide 2018.

PROJECT DEVELOPMENT MAP 1st HALF 2018*
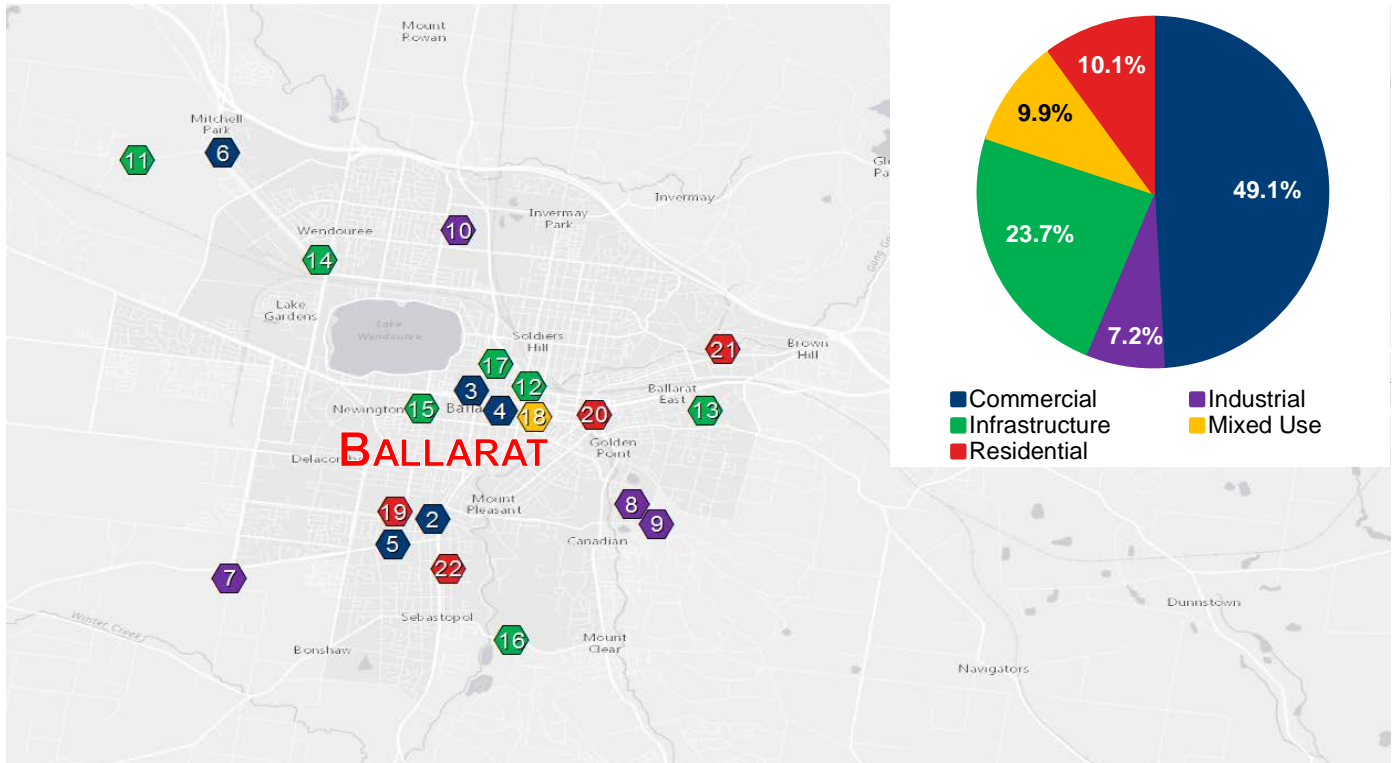
Location	Project**	Type	Estimated Value***	Commence Date****
Not Mapped	Lal Lal Wind Farm Project	Commercial	$75,000,000	04/06/2018
2	BP Service Station & Hungry Jacks Redan	Commercial	$4,000,000	05/03/2018
3	Ballarat Health Services	Commercial	$3,500,000	15/01/2018
4	Lyons Street Rooming House	Commercial	$2,000,000	15/06/2018
5	Ballarat West Major Activity Centre	Commercial	$1,400,000	04/06/2018
6	Quattro Homes Ballarat	Commercial	$1,000,000	09/06/2018
7	Bunnings Warehouse Delacombe	Industrial	$10,000,000	07/05/2018
8	Otway Street South Warehouses	Industrial	$1,000,000	29/05/2018
9	Marli Close Warehouses	Industrial	$900,000	02/04/2018
10	Selkirk Drive Warehouses	Industrial	$900,000	30/03/2018
11	Ballarat Aviation Emergency Services Hub	Infrastructure	$32,000,000	07/05/2018
12	Ballarat Civic Hall	Infrastructure	$4,000,000	01/05/2018
13	DHHS Grampians AOD Redevelopment	Infrastructure	$2,000,000	05/05/2018
14	Ballarat Community Health	Infrastructure	$1,500,000	15/06/2018
15	Ballarat Health Services Medical Centre	Infrastructure	$900,000	10/01/2018
16	Midland Highway & Sebastopol Road Roadworks	Infrastructure	$800,000	16/01/2018
17	Ballarat Base Hospital Dialysis Unit	Infrastructure	$800,000	30/01/2018
18	Lyons & Dawson Streets Mixed Use Development (38 units)	Mixed Use	$17,500,000	03/01/2018
19	Alfred Street Townhouses (21 townhouses)	Residential	$6,300,000	15/05/2018
20	St Pauls Way Residential Development Stage 2 (29 units)	Residential	$5,800,000	12/06/2018
21	Bells Lane Townhouses (20 townhouses)	Residential	$3,000,000	02/02/2018
22	Yarrowee Street Dwellings (18 dwellings)	Residential	$2,700,000	02/01/2018

*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: Ballarat, Mitchell Park, Delacombe, Canadian, Wendouree, Eureka, Newington, Sebastopol, Bakery Hill, and Brown Hill.
***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, The City of Ballarat Council. © 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.
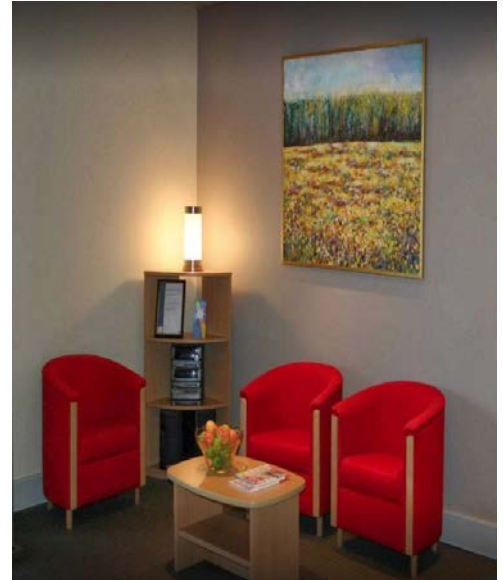
OUR SERVICES INCLUDE:

- 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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