



Hunter Valley
Property Factsheet
2nd Half 2018





MARKET CONDITIONS

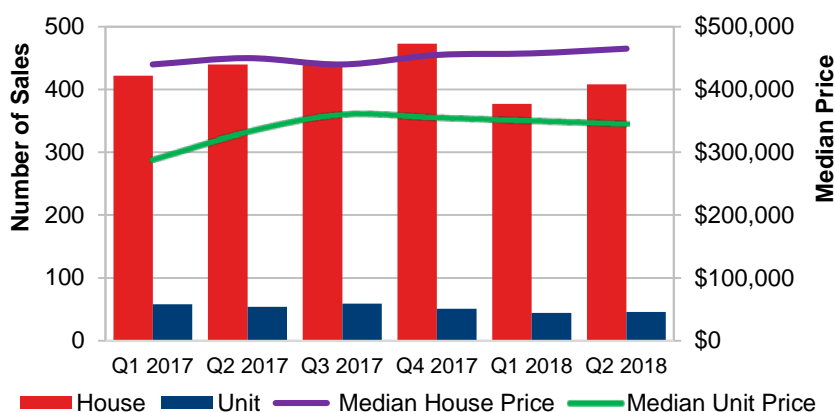
In Q2 2018, Hunter Valley* recorded a median price of \$460,000 (houses) and \$345,000 (units), representing an annual price change of 4.7% and 13.1% respectively. Compared to the 1st half of, which reported an annual (Q4 2016-Q4 2017) price change of 8.4% (houses) and 17.5% (units), properties in Hunter Valley* have become more affordable. This is great news for buyers wanting to enter the market.

Over the past 12 months to Q2 2018, the Maitland City Council Local Government Area (LGA) median house prices grew by 1.6% to \$465,000, and median unit prices softened by -1.4% to \$345,000. Hunter Valley* median prices are on par with Maitland City Council LGA, however with stronger capital growth.

Average vendor discounting for houses have slightly widened to -2.7% over the past 12 months to Q2 2018, suggesting a shift toward a buyers market. This is a good opportunity for first home buyers looking for houses. Average vendor discounting for units tightened to -2.6% in Q2 2018, which when combined with the strong unit price growth suggests that now is a good time to sell.

In the past 12 months to Q2 2018, median rent in Hunter Valley* has remained stable for houses at \$400 per week, while units have seen a strong growth of 12.9% to \$350 per week. Investors have benefited from median rental yields of 4.6% and 4.8% for houses and units respectively. These are above levels experienced by the wider Hunter Region (3.9% and 4.6% respectively), as well as Sydney Metro (2.7% and 3.5% respectively). This presents investors with a more attractive and affordable investment option to Sydney Metro, while also boasting higher returns.

MAITLAND CITY COUNCIL GROWTH



OVERVIEW

The Maitland City Council LGA is located approx. 250km north of Sydney CBD and approx. 32km north west of Newcastle. According to the 2016ABS Census, the Maitland City Council LGA had a population of 77,305 in 2016, which is an impressive growth of 14.6% over the past 5 years. Over the same timeframe the number of private dwellings grew by 15.6%, which suggests a balanced property market.

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

FUTURE DEVELOPMENTS**

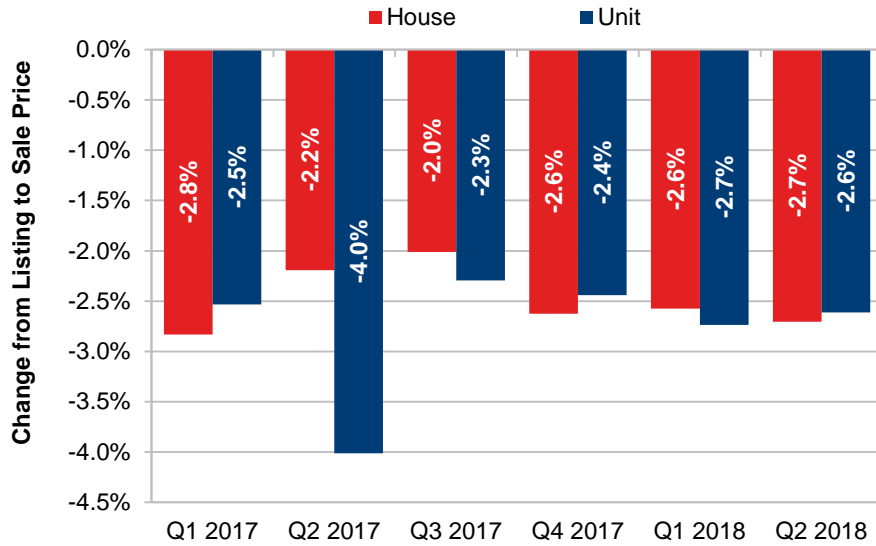
The Hunter Valley* is set to see an estimated \$73.9M of new developments commence in the 2nd half of 2018. The dominant development type is residential, at \$44.2M (or 59.7%). This is followed by commercial (\$23.3M or 31.5%), and infrastructure (\$6.5M or 8.8%).

Hunter Valley* will see 23 apartments, 21 dwellings, 150 villas, 630 subdivision lots, and 6 townhouses added to the market in the 2nd half of 2018; delivered through ten residential projects. A strong injection of residential stock will meet the demand from Sydney and/or interstate, whilst potentially creating a more affordable market in the future. This is due to the current balance in population growth and number of private dwelling growth.

A significant commercial project due to commence in 2nd half of 2018 is the Duckenfield Road Seniors Housing Development. The project will produce a total of 88 dwellings plus a plethora of community amenities. This project will attract a different demographic into the area whilst creating local jobs.

*Hunter Valley market data and key indicators encapsulates aggregate property market conditions in the following suburbs: Aberglaslyn, Ashtonfield, East Maitland, Maitland, Rutherford, and Thornton.
**Estimated values are based on construction value provided by the relevant data authority and does not reflect commercial and/or re-sale value.
Source: APM Pricerfinder, realestate.com.au. © Copyright PRDnationwide 2018.

AVERAGE VENDOR DISCOUNT*



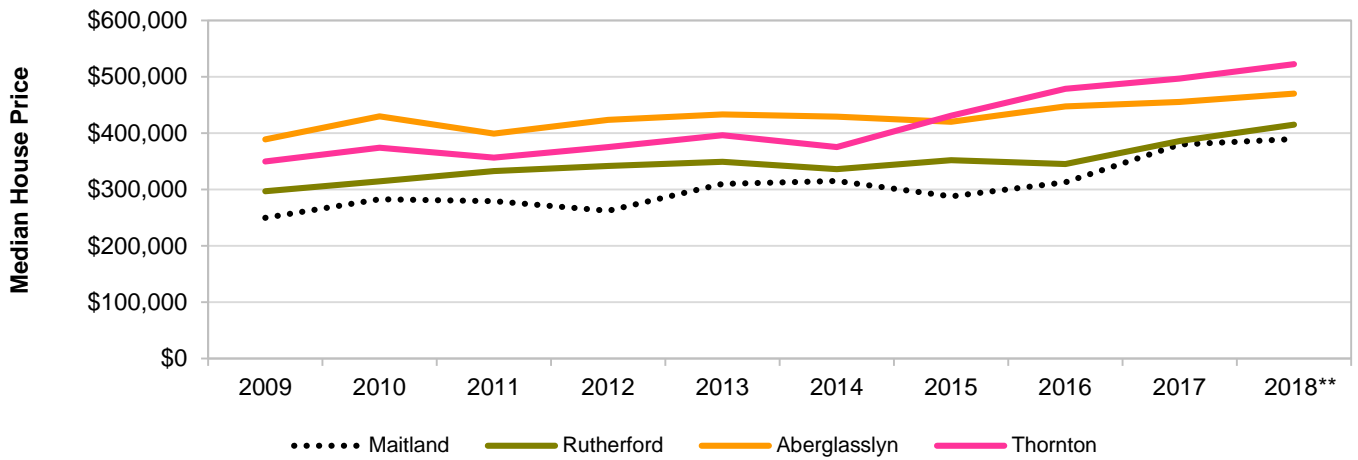
AVERAGE VENDOR DISCOUNT

Average vendor discount reflects the average percentage difference between first list price and final sold price. A lower percentage difference (closer to 0) suggests buyers are willing to purchase close to the first asking price of a property.

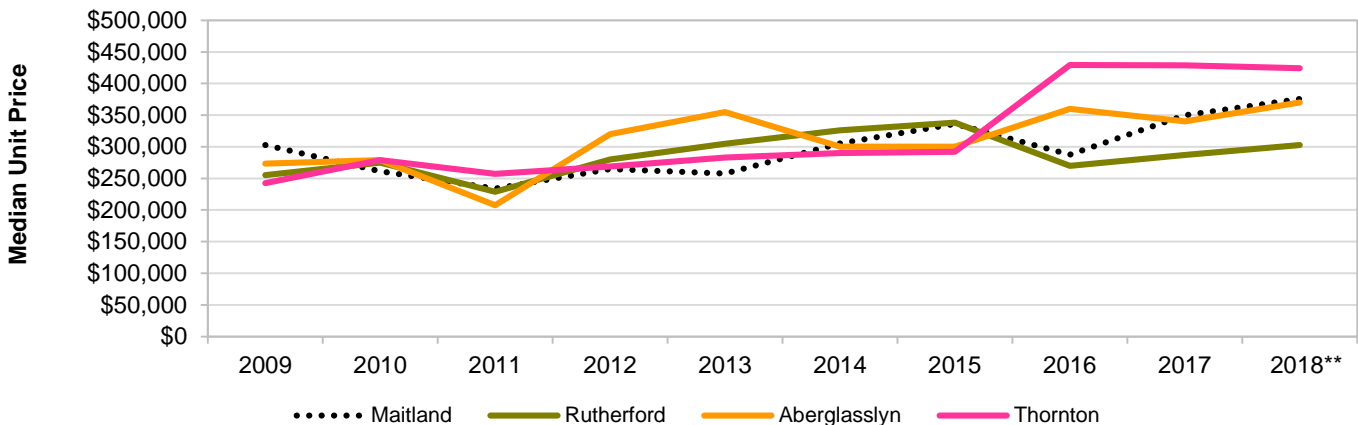
MARKET COMPARISON GRAPH

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 Maitland. The main suburb is highlighted through a dotted black line graph.

HOUSE MARKET COMPARISON

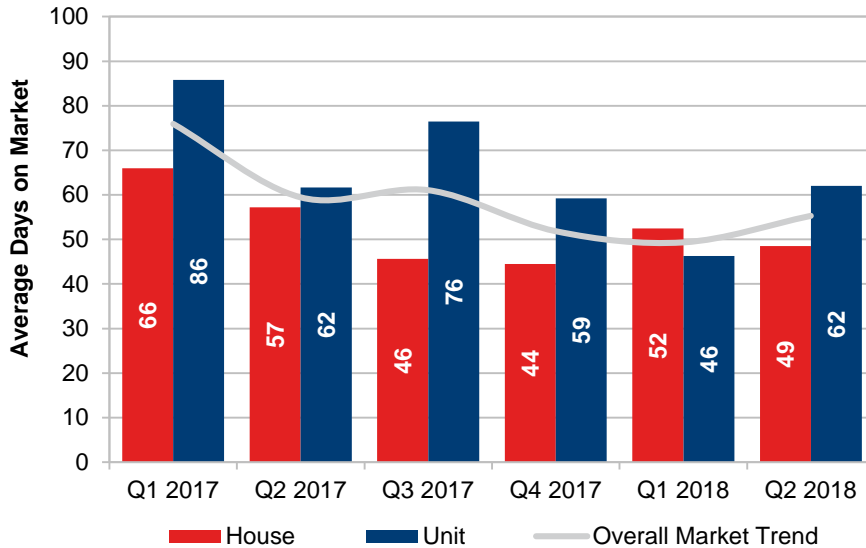


UNIT MARKET COMPARISON



*Hunter Valley market data and key indicators encapsulates aggregate property market conditions in the suburbs Aberglasslyn, Ashtonfield, East Maitland, Maitland, Rutherford, and Thornton. Source: APM Pricerfinder. © Copyright PRDnationwide 2018.

AVERAGE DAYS ON MARKET**



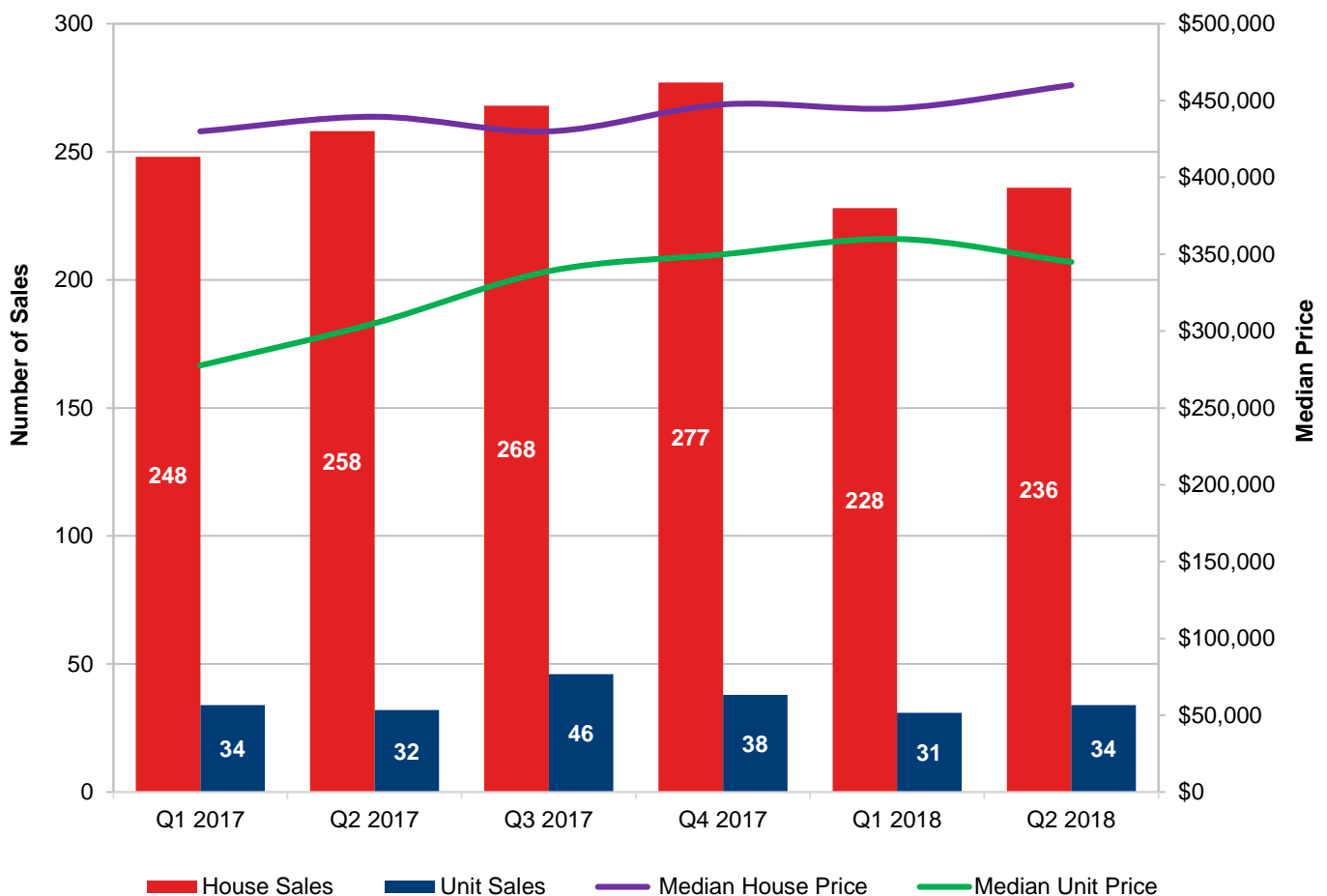
HOUSE KEY FACTS Q2 2018

Median Sale Price: \$460,000
 Annual Growth: 4.7%*
 Average Days on Market: 49
 % Change between First Listed Price and Sold Price: -2.7%

UNIT KEY FACTS Q2 2018

Median Sale Price: \$345,000
 Annual Growth: 13.1%*
 Average Days on Market: 62
 % Change between First Listed Price and Sold Price: -2.6%

SALES AND MEDIAN PRICE**

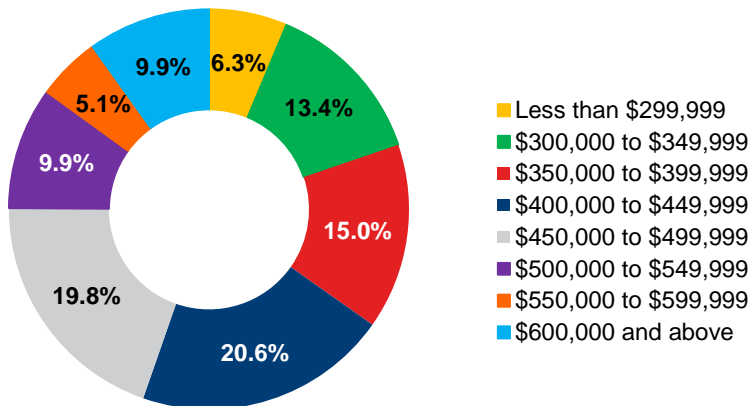


*Annual growth represents price growth for property transactions between Q2 2017 to Q2 2018 (inclusive).

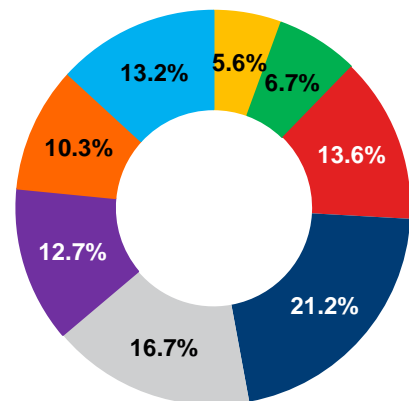
**Hunter Valley market data and key indicators encapsulates aggregate property market conditions in the suburbs Aberglasslyn, Ashtonfield, East Maitland, Maitland, Rutherford, and Thornton. Source: APM Pricefinder, realestate.com.au, SQM Research. © Copyright PRDnationwide 2018.

SALES PRICE POINT COMPARATIVE ANALYSIS

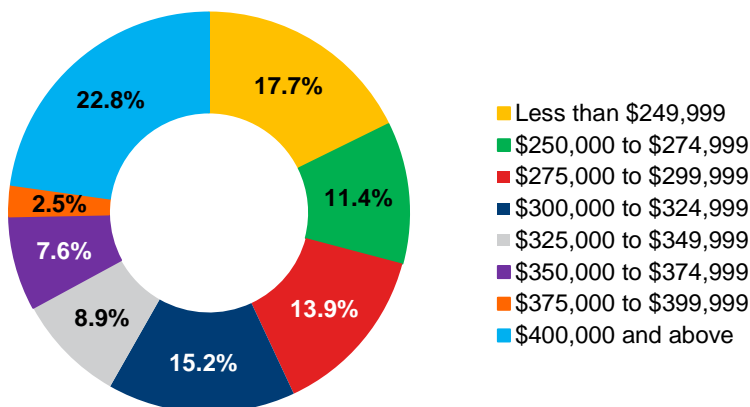
HOUSE PRICE POINT 1st HALF 2017



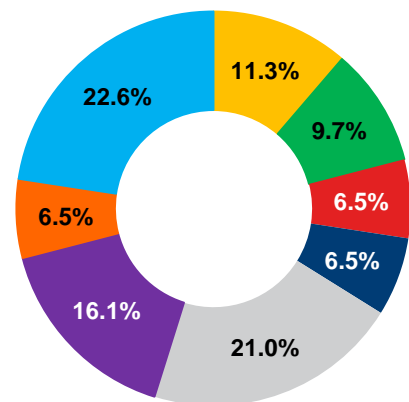
HOUSE PRICE POINT 1st HALF 2018



UNIT PRICE POINT 1st HALF 2017**



UNIT PRICE POINT 1st HALF 2018**



KEY IMPLICATIONS - HOUSE

The proportion of houses sold in the Hunter Valley* in the 1st half of 2018 primarily fell in the \$400K-\$449K price segment (21.2%). This is the same bracket which dominated sales in the 1st half of 2017 (20.6%). All price brackets below \$399K decreased in their respective share of sales, collectively down from 34.7% to 25.9%.

By comparison, price brackets above \$500K all saw an increased market share in the 1st half of 2018, representing 36.2% of all sales, compared with 24.9% in the 1st half of 2017. This suggests that despite a steady increase in median price, there is an even stronger shift underlying the market towards more premium products.

KEY IMPLICATIONS - UNIT

The dominant portion of units sold in the 1st half of 2018 was primarily in the \$400K+ segment, which at 22.6% is a slight decrease compared to the 1st half of 2017.

In the Hunter Valley* unit market there was a much more defined movement away from lower priced stock. Units under \$325K declined in total sales volume from 58.2% to just 34.0%, with every price bracket in the range experiencing a decline. At the same time, units priced above \$325K experienced total sales growth up to 66.2% in the 1st half of 2018, up from 41.8% on the previous year. This confirms the trend also seen in the housing market, with buyers preferring premium stock.

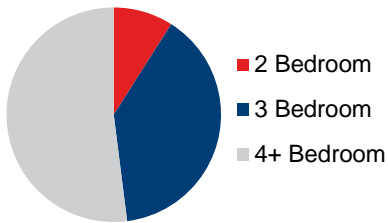
*Disclaimer: Hunter Valley market data and key indicators encapsulates aggregate property market conditions in the suburbs Aberglasslyn, Ashtonfield, East Maitland, Maitland, Rutherford, and Thornton.

**For comparative purposes, house and unit sales for 2017 and 2018 are only representative of the 1st half of each year.

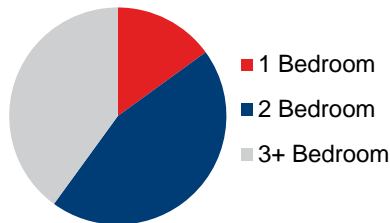
Source: APM Pricerfinder. © Copyright PRDnationwide 2018.

INVESTMENT ANALYSIS

HOUSE



UNIT



HOUSE KEY FACTS Q2 2018

Median Rent Price: \$400 per week
Rental Yield: 4.6%
Average Days on Market: 24
Bedroom Breakdown:
 2 Bed: 9%, 3 Bed: 39%, 4+ Bed: 52%

UNIT KEY FACTS Q2 2018

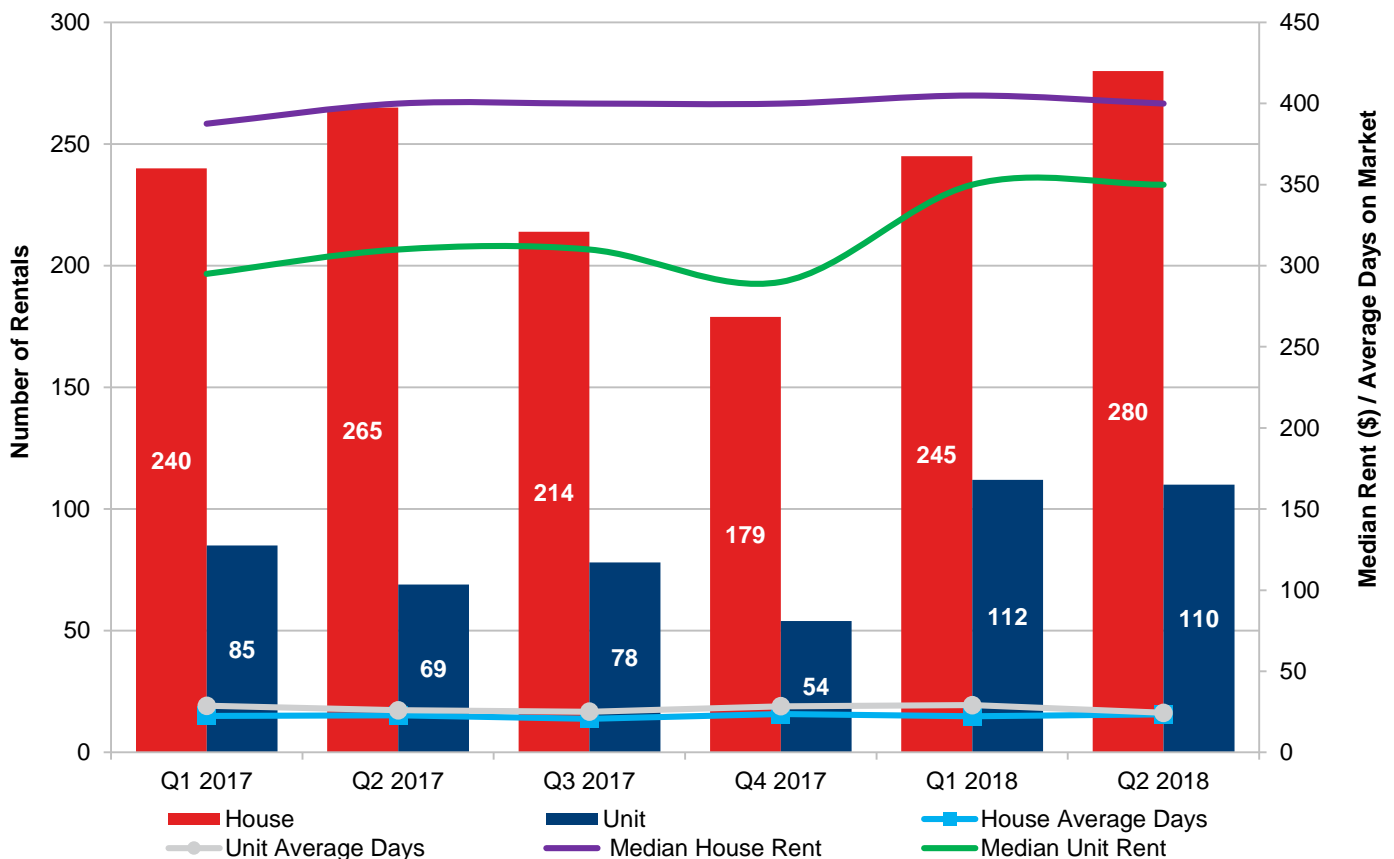
Median Rent Price: \$350 per week
Rental Yield: 4.8%
Average Days on Market: 24
Bedroom Breakdown:
 1 Bed: 15%, 2 Bed: 45%, 3+ Bed: 40%

KEY COMMENTS

Interest in the Hunter Valley* was recorded at an average of 688 online visits per property in June 2018, a 3.1% increase compared to December 2017. Over the past 12 months to Q2 2018, rental demand for units has experienced a strong upswing, increasing by 59.4%. During this time unit rental price also increased, by 12.9%. This suggests that there is a real uplift in investment returns and not one due to scarcity in the market. With a unit rental yield of 4.8%, outpacing that of Sydney Metro (3.5%), this indicates an extremely healthy rental demand; one that investors looking for more affordable opportunities need to strongly consider.

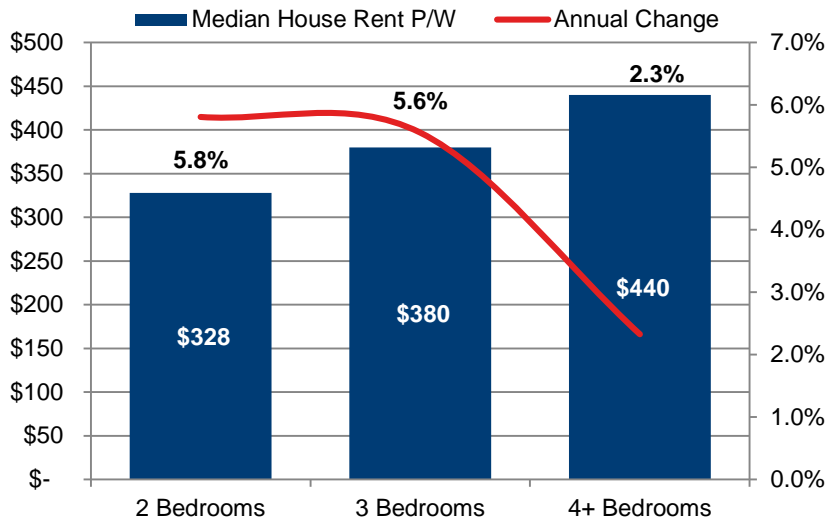


MEDIAN RENT AND AVERAGE DAYS ON MARKET*



*Disclaimer: Hunter Valley market data and key indicators encapsulates aggregate property market conditions in the suburbs Aberglasslyn, Ashtonfield, East Maitland, Maitland, Rutherford, and Thornton.
 Source: APM Pricerfinder, realestate.com.au, SQM Research. © Copyright PRDnationwide 2018.

RENTAL PERFORMANCE 2018*



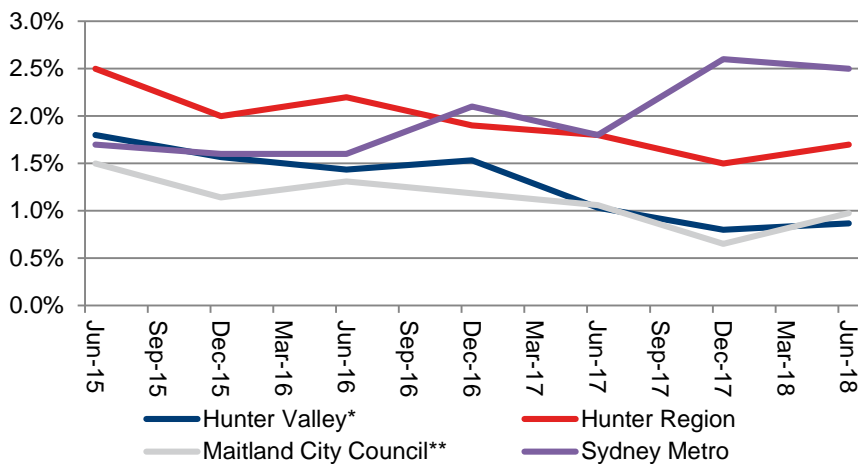
KEY COMMENTS

Median rental returns are particularly strong in the Hunter Valley*, outpacing both the wider Hunter Region and Sydney Metro.

2 bedroom house provided the highest annual rental growth at 5.8%, with 3 bedroom houses also providing strong annual median rental growth; at 5.6%.

Demand for rental properties in the Hunter Valley* remains strong, with a healthy vacancy rate of 1.0% - well below Sydney's rate of 2.5%. This demand is also reflected at a wider level when comparing the portion of occupied private dwellings in the Maitland LGA (93%) with NSW (91%).

VACANCY RATES 2018



RENTAL YIELD 2018

| Suburb/Postcode/LGA | House Rental Yield | Unit Rental Yield |
|-------------------------|--------------------|-------------------|
| Hunter Valley* | 4.6% | 4.8% |
| Hunter Region | 3.9% | 4.6% |
| Maitland City Council** | 4.2% | 5.7% |
| Sydney Metro | 2.7% | 3.7% |

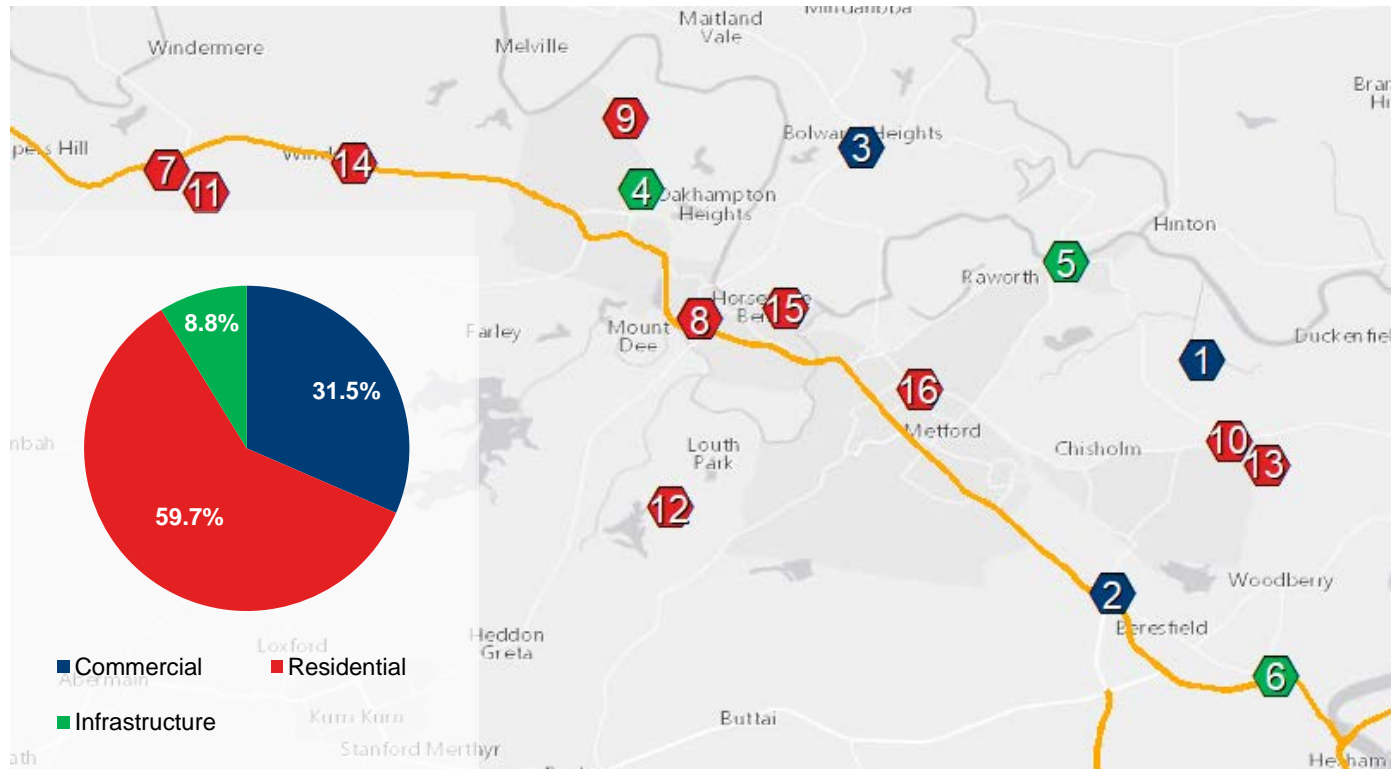
KEY HOUSING DEMOGRAPHICS

| | Maitland | Maitland City Council LGA | New South Wales |
|----------------------------------|----------|---------------------------|-----------------|
| Median weekly rent | \$280 | \$320 | \$380 |
| Family households | 423 | 20,758 | 1,874,524 |
| Single or lone person households | 258 | 5,948 | 620,778 |
| Worked full time | 464 | 21,447 | 2,134,521 |
| Worked part time | 258 | 11,458 | 1,071,151 |
| Occupied private dwellings | 724 | 27,379 | 2,604,320 |
| Unoccupied private dwellings | 89 | 2,078 | 284,741 |

*Rental performance graph represents aggregate house median rent prices in the suburbs Aberglasslyn, Ashtonfield, East Maitland, Maitland, Rutherford, and Thornton. Annual change is a comparison between 1st half 2017 and 1st half 2018 median rent figures.

**Maitland City Council is representative of the postcodes 2320, 2321, 2322 and 2323. Source: APM Pricefinder, SQM Research, ABS Census 2016. © Copyright PRDNationwide 2018.

PROJECT DEVELOPMENT MAP 2nd HALF 2018*



| Location | Project** | Type | Estimated Value*** | Commence Date**** |
|----------|---|----------------|--------------------|-------------------|
| 1 | Duckenfield Road Seniors Housing Development Stages 1-10 | Commercial | \$19,947,000 | 14/12/2018 |
| 2 | KFC – Thornton | Commercial | \$1,700,000 | 20/08/2018 |
| 3 | Metro Petroleum Service Station | Commercial | \$1,633,000 | 13/08/2018 |
| 4 | Rutherford Ambulance Station | Infrastructure | \$4,500,000 | 17/09/2018 |
| 5 | Hunter Water Corporation Sewer Vents | Infrastructure | \$1,000,000 | 01/10/2018 |
| 6 | Defence Housing Wirraway | Infrastructure | \$1,000,000 | 06/08/2018 |
| 7 | Village Of St Helena Residential Development (150 Villas) | Residential | \$18,000,000 | 21/08/2018 |
| 8 | Steam Street Apartments (23 Apartments) | Residential | \$6,000,000 | 09/07/2018 |
| 9 | Lorikeet St Dwellings (16 Dwellings) | Residential | \$4,500,000 | 29/10/2018 |
| 10 | Sophia Waters Chisholm – Masterplan (192 Lots) | Residential | \$3,800,000 | 12/11/2018 |
| 11 | Village Of St Helena Subdivision (161 Lots) | Residential | \$3,100,000 | 02/11/2018 |
| 12 | Dagworth Rd 175 Lot Subdivision (175 Lots) | Residential | \$2,300,000 | 24/09/2018 |
| 13 | Sophia Waters Chisholm (44 Lots) | Residential | \$2,100,000 | 22/10/2018 |
| 14 | New England Hwy 58 Lot Subdivision (58 Lots) | Residential | \$1,800,000 | 07/11/2018 |
| 15 | Carrington St Townhouses (6 Townhouses) | Residential | \$1,800,000 | 19/10/2018 |
| 16 | Raymond Terrace Rd Dwellings (5 Dwellings) | Residential | \$750,000 | 13/08/2018 |

*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 refers to the top developments within the Maitland City Council LGA.

***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 Planning and Environment NSW, Maitland City Council LGA. © 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

Luke Anderson

Principal & Licensee in Charge

M +61 412 555 459

E luke@prdhuntervalley.com.au

Rhonda Nyquist

Principal

M +61 419 341 999

E rhonda@prdhuntervalley.com.au

PRDnationwide Hunter Valley

107 Newcastle Road East
Maitland NSW 2323
Australia

T +61 2 4934 2000

PRD.com.au/huntervalley

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