



**Kyneton**

Property Factsheet

2nd Half 2018





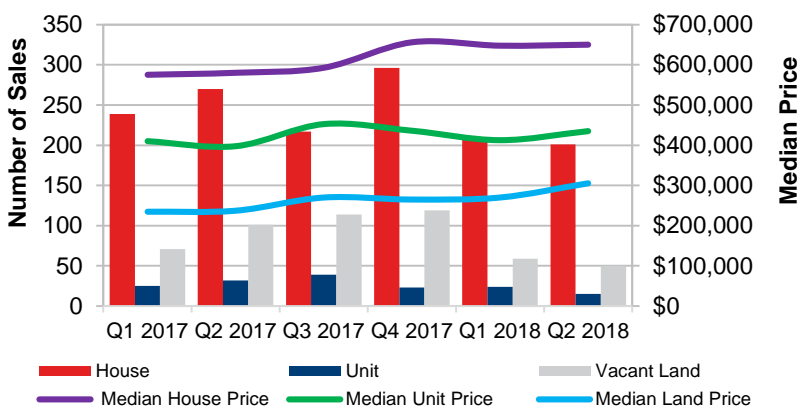
## MARKET CONDITIONS

The Kyneton\* property market recorded a median house price of \$535,000 and \$237,500 for land in Q2 2018, which represented an annual (Q2 2017 to Q2 2018), price change of 2.9% and 13.1% respectively. This is an upward trend from the previous 6 months (Q4 2017-Q2 2018) 1.4% (house) and 8.0% (units) median price change. Between Q2 2017 to Q2 2018 median house prices in the Macedon Ranges Local Government Area (LGA) grew by 12.1% to \$650,000 and land prices grew by 28.4% to \$305,000. Compared to the LGA, both houses and land could be secured at a more affordable price in the Kyneton\* property market. Combined, the more affordable price yet positive upwardly trend in capital growth provide a conducive environment for both owner-occupiers and investors seeking sustainable market opportunities.

Average vendor discounting for houses tightened to -0.5% over the past 12 months to Q2 2018, suggesting sellers achieved closer to their first list asking price. This was the tightest average vendor discount recorded over the past 18 months, suggesting now is the time to sell. Over the same period of time (Q2 2017 to Q2 2018), the time to sell houses declined from 76 days to 46 days, thus confirming Kyneton\* as a high demand house market. Buyers need to act fast in order to secure attractive opportunities in this investment hotbed.

Median rent in Kyneton\* increased for both house and units over the past 12 months to Q2 2018, currently at \$404 per week (house) and \$320 per week (units). This represents a price increase of 1.0% and 16.4%, respectively. Investors are benefiting from rental yields of 3.6% (house) and 5.1% (units), well-above that of Melbourne Metro's 2.7% (house) and 3.9% (unit). Now is the time for investors to enter the Kyneton\* property market, while prices are still affordable in this lucrative and upwardly growth market.

## SHIRE OF MACEDON RANGES GROWTH



## OVERVIEW

Located in the central region of Victoria, Kyneton\* is approximately 78km from Melbourne CBD. Over the past 5 years to 2016 its population increased by 4.9%, whilst the number of dwellings increased by 5.7%. This suggests that there is a balance in housing supply and demand in Kyneton\*. Any further residential projects may result in a price shift in the market.

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

## FUTURE DEVELOPMENTS\*\*

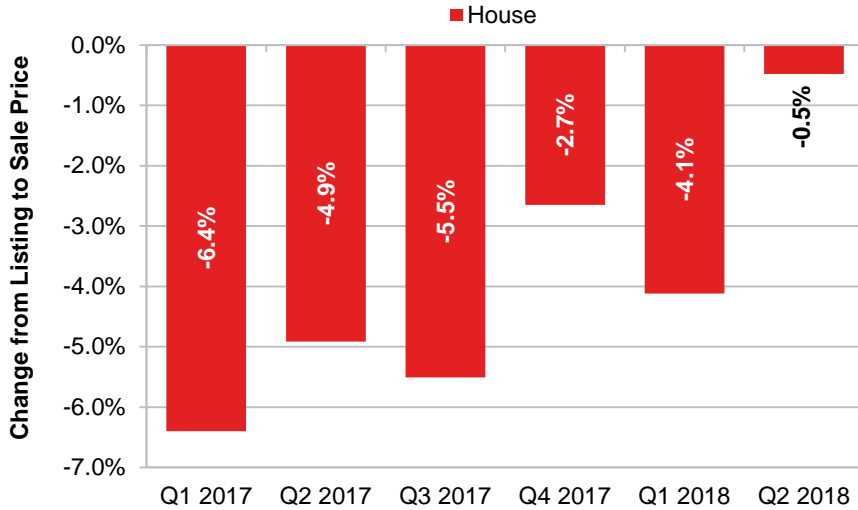
Kyneton\* is set to see approximately \$3.3M of new projects commencing in 2018. Infrastructure accounted for 69.2% of development value in Kyneton\*. Residential accounted for the remaining 30.8% of future development. These projects will stimulate local economic growth (through local jobs and others) as well as increase housing options for current and future residents.

A major residential development project is the Kyneton on Riverside – 22 Village Green Drive project. This involves subdivision of land into 82 lots over 5 stages, with further stages in the pipeline. Estimated project value is over \$1.0M and construction is already underway. While the focus is on adding stock to the property market, this project will boost spending in the area, hence contributing to spill-over benefits for economic growth.

A significant infrastructure project, which is scheduled to start in November 2018, is the Kyneton Railway Station. This project is valued at approximately \$1.3M and will deliver 100 car parking spaces and civil works. This will likely increase security and encourage use of public transport, thus enhancing liveability.

\*Kyneton market data and key indicators encapsulates aggregate property market conditions in the following: 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 dates are estimate only, as per relevant data authority.  
 Source: APM Pricerfinder, realestate.com.au. © Copyright PRDnationwide 2018.

## AVERAGE VENDOR DISCOUNT\*



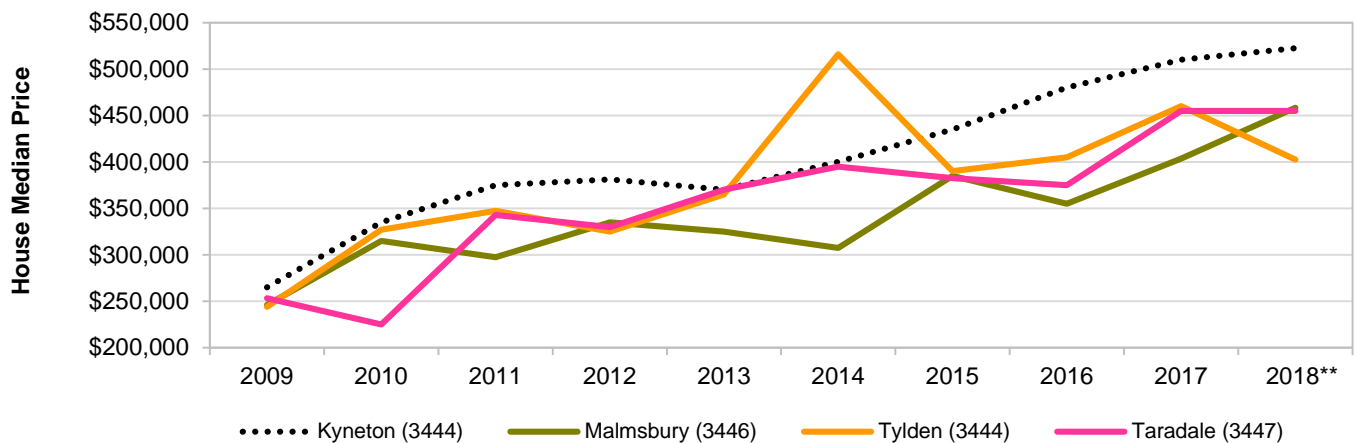
### AVERAGE VENDOR DISCOUNT

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.

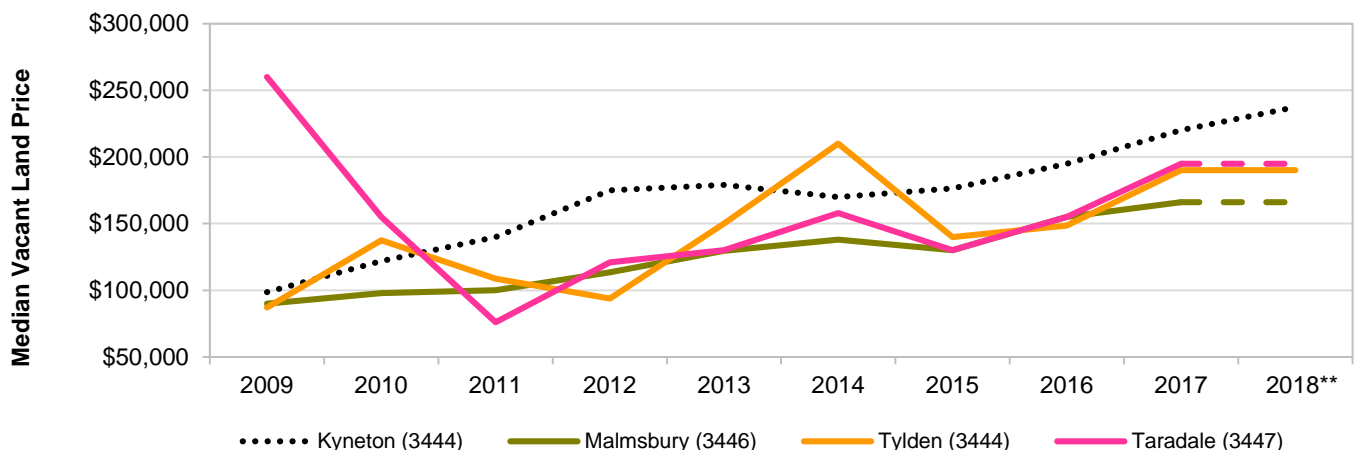
### MARKET COMPARISON GRAPH

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

## HOUSE MARKET COMPARISON

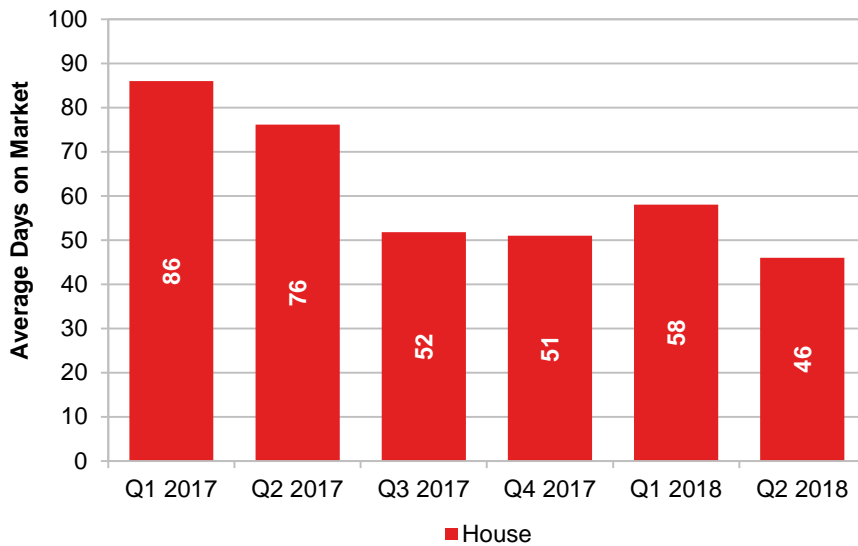


## VACANT LAND MARKET COMPARISON



\*Kyneton market data and key indicators encapsulates aggregate property market conditions in the following: Kyneton. Source: APM Pricefinder. © Copyright PRDNationwide 2018.

## AVERAGE DAYS ON MARKET\*\*



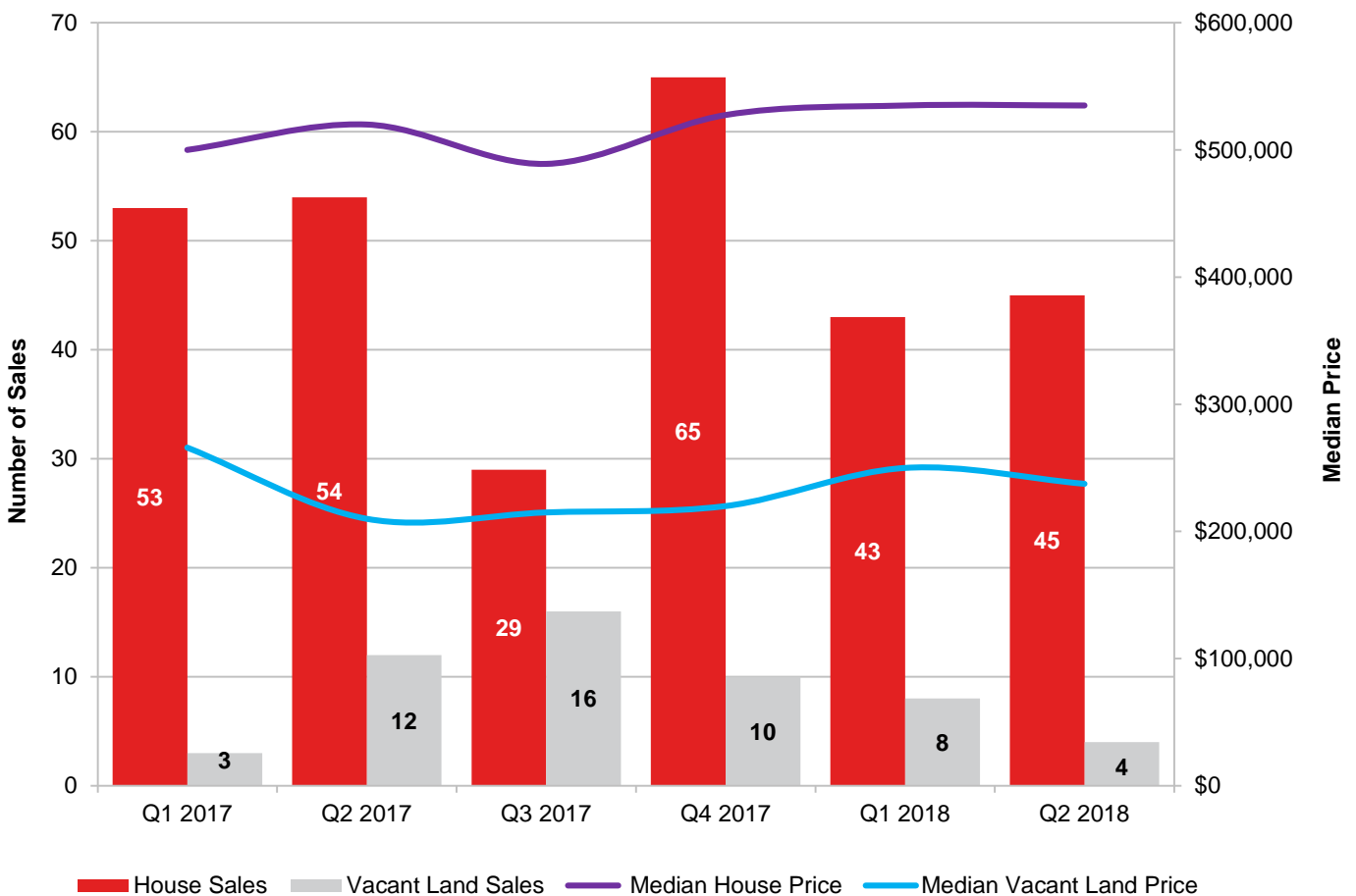
### HOUSE KEY FACTS Q2 2018

Median Sale Price: \$535,000  
 Annual Growth: 2.9%\*  
 Average Days on Market: 46  
 % Change between First Listed Price and Sold Price: -0.5%

### LAND KEY FACTS Q2 2018

Median Sale Price: \$237,500  
 Annual Growth: 13.1%\*  
 Average Days on Market: N/A  
 % Change between First Listed Price and Sold Price: N/A

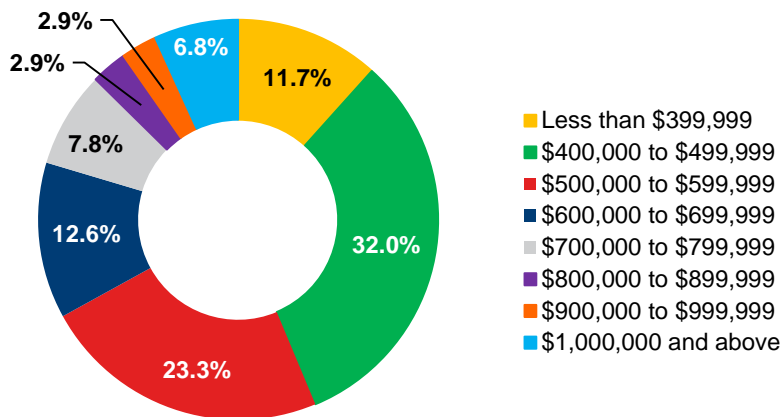
## SALES AND MEDIAN PRICE\*\*



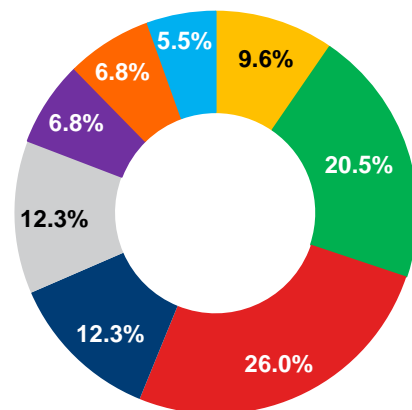
\*Annual growth represents price growth for property transactions between Q2 2017 to Q2 2018 (inclusive).  
 \*\*Kyneton market data and key indicators encapsulates aggregate property market conditions in the following: Kyneton.  
 Source: APM Pricerfinder, realestate.com.au, SQM Research. © Copyright PRDnationwide 2018.

## SALES PRICE POINT COMPARATIVE ANALYSIS

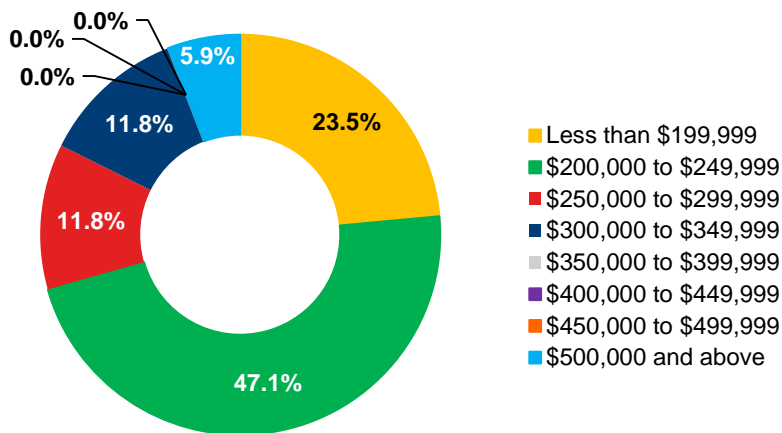
**HOUSE PRICE POINT 1<sup>st</sup> HALF 2017\*\***



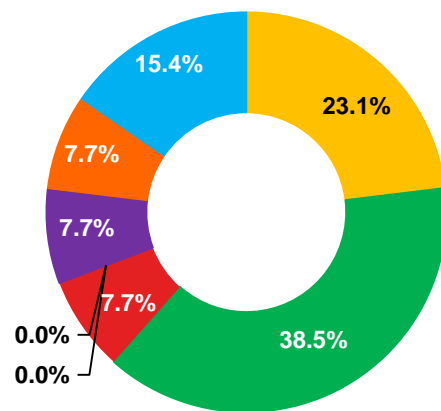
**HOUSE PRICE POINT 1<sup>st</sup> HALF 2018\*\***



**LAND PRICE POINT 1<sup>st</sup> HALF 2017\*\***



**LAND PRICE POINT 1<sup>st</sup> HALF 2018\*\***



### KEY IMPLICATIONS - HOUSE

The proportion of houses sold in Kyneton\* in the 1<sup>st</sup> half of 2018 was primarily in the \$500K-\$600K price segment (26.0%). A significant decrease in the \$400K-\$500K price range occurred between the 1<sup>st</sup> half of 2017 and the 1<sup>st</sup> half of 2018, from 32.0% to 20.5% of sales. This signals a significant shift in affordability options within the area.

During the 1<sup>st</sup> half of 2018 house sales in price brackets higher than \$700K have increased, in particular between \$800K and \$1.0M price ranges (from 2.9% to 6.8%). This represents three-fold increases in those price brackets. In fact, the Kyneton\* house market shifted towards a more premium market. This is welcomed news for buyers with an appetite for higher quality houses.

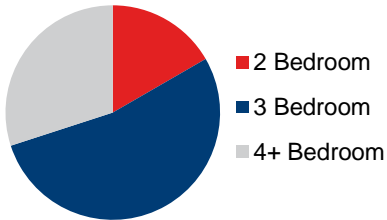
### KEY IMPLICATIONS - LAND

The proportion of land sold in Kyneton\* in the 1<sup>st</sup> half of 2018 was mostly within the \$200-\$250K price segment (reduced from 47.1% to 38.5%). This was followed by the less than \$200K price bracket. Combined, these two price brackets were the two dominant price points during the 1<sup>st</sup> half of 2017. Although there was a 9.0% drop in the number of sales, most buyers can still access 61.6% of the land market in Kyneton\*.

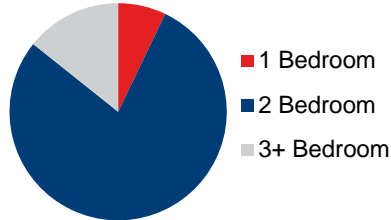
During the 1<sup>st</sup> half of 2018, the upper end of the market (above \$500K) increased from 5.9% to 15.4%. This was more than double the amount sold in the 1<sup>st</sup> half of 2017. Land market choices increased in diversity with two new price ranges (\$400K-\$450K and \$450K-\$500K) added.

## INVESTMENT ANALYSIS

### HOUSE



### UNIT



### HOUSE KEY FACTS Q2 2018

**Median Rent Price:** \$404 per week  
**Rental Yield:** 3.6%  
**Average Days on Market:** 27  
**Bedroom Breakdown:**  
 2 Bed: 17%, 3 Bed: 53%, 4+ Bed: 30%

### UNIT KEY FACTS Q2 2018

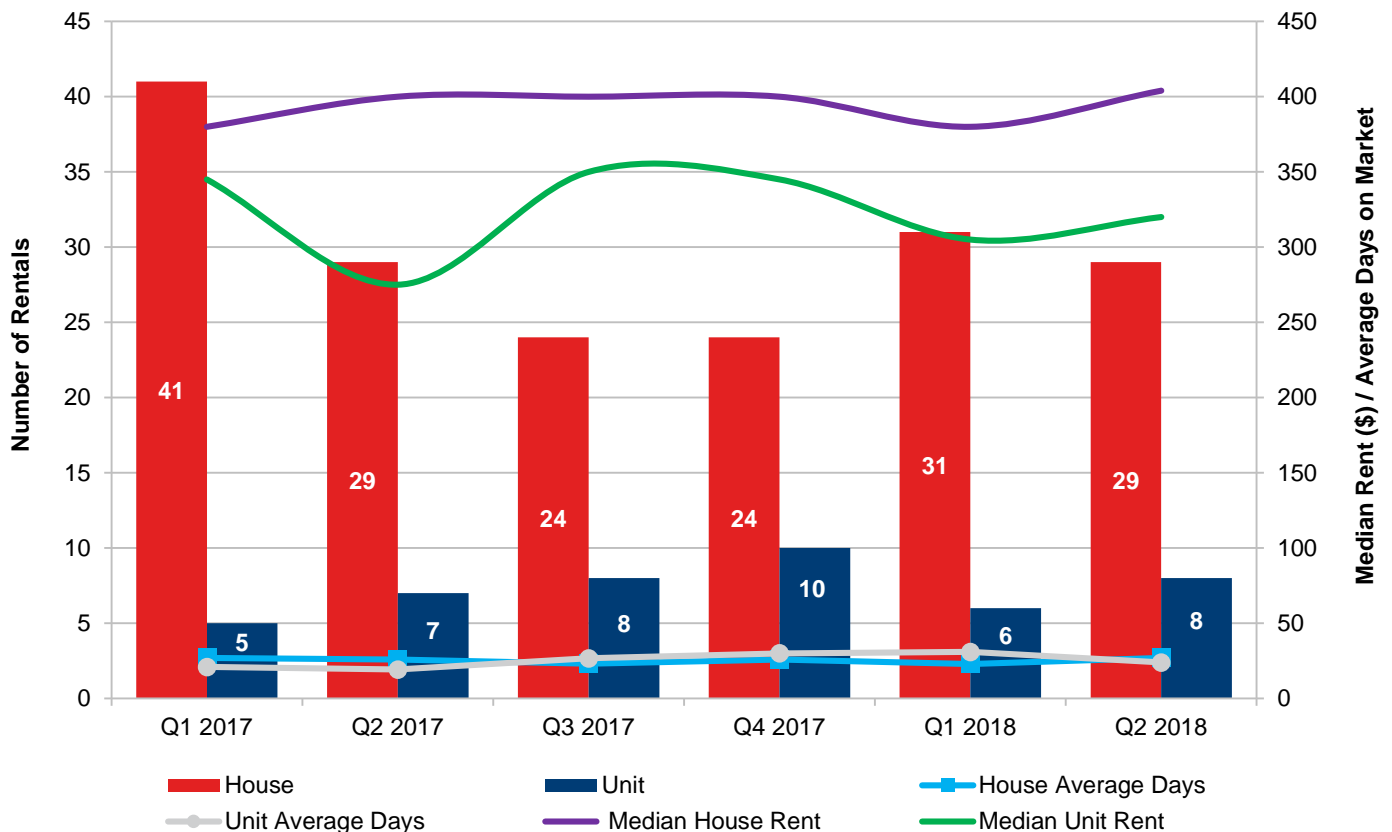
**Median Rent Price:** \$320 per week  
**Rental Yield:** 5.1%  
**Average Days on Market:** 24  
**Bedroom Breakdown:**  
 1 Bed: 7%, 2 Bed: 79%, 3+ Bed: 14%

### KEY COMMENTS

Interest in Kyneton\* was recorded at an average of 863 online visits per property in June 2018, which is a 25.8% increase since December 2017. The rental market for houses and units in Kyneton\* performed well over the past 12 months to Q2 2018. Median rent increased by 7.0% (houses) and 30.9% (units). This represents a real increase in rental value, rather than increased price due to scarcity, since stock on market remained stable for houses and increased by 14.3% for units. This provides investors with confidence that supply is being absorbed by existing demand, confirming Kyneton\* as an investment hotbed.

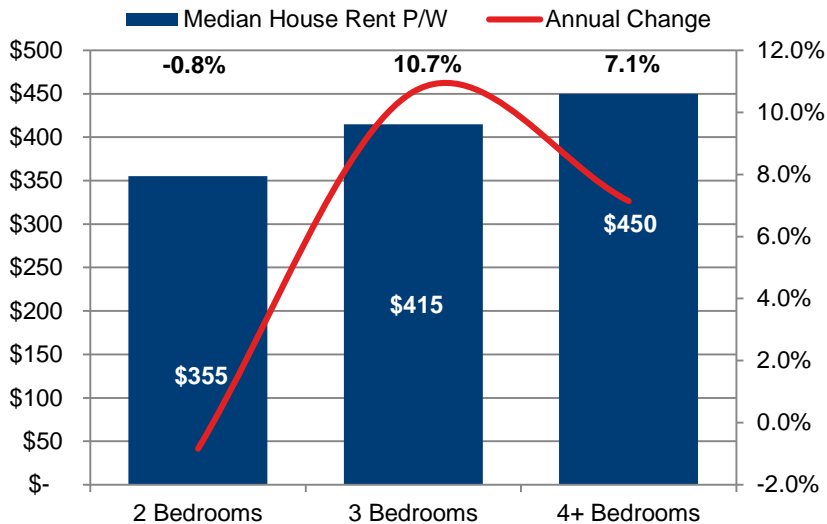


## MEDIAN RENT AND AVERAGE DAYS ON MARKET\*



\*Disclaimer: Kyneton market data and key indicators encapsulates aggregate property market conditions in the following suburb: Kyneton. Source: APM Pricfinder, realestate.com.au, SQM Research. © Copyright PRDnationwide 2018.

## RENTAL PERFORMANCE 2018\*



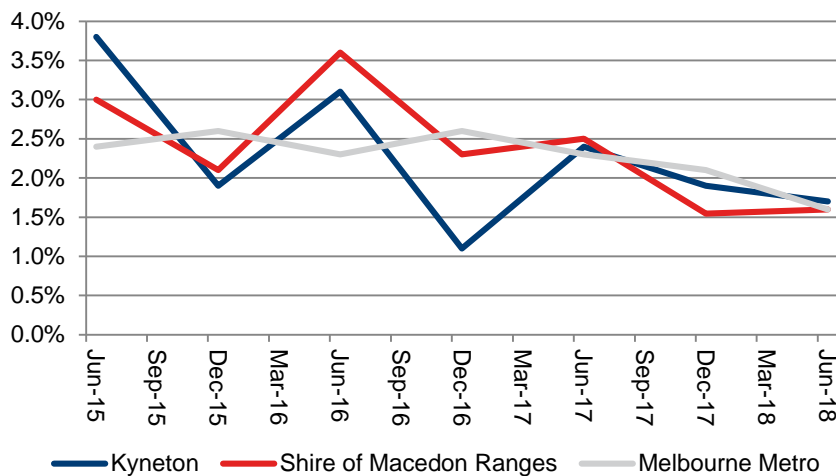
### KEY COMMENTS

Rental returns are strong in the Kyneton\* area – 3.6% (house) and 5.1% (unit), which are on par with that of Macedon Ranges LGA for house (3.8%) and above for units (3.9%). At the same time, Kyneton's rental yields outpaced Melbourne Metro, at 2.7% (houses) and 3.9% (units).

3 bedroom houses provide the highest annual rental growth of 10.7%, at \$415 per week.

Vacancy rates for Kyneton\* were low (1.7%) in June 2018 and are trending downwards. This signals a high occupancy rate, which is great news for investors as there is consistency in investment returns.

## VACANCY RATES 2018



## RENTAL YIELD 2018

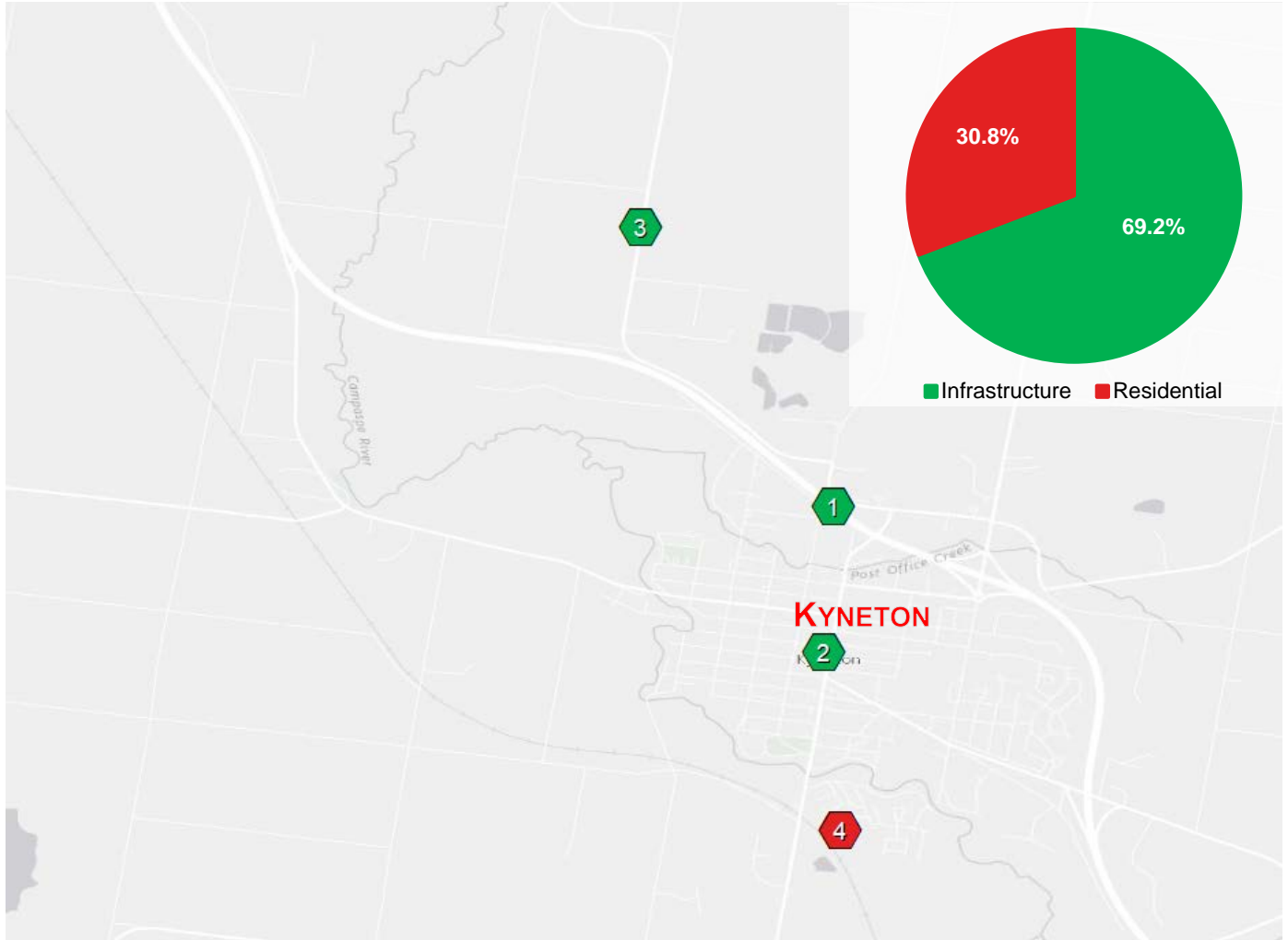
Suburb/Postcode/LGA	House Rental Yield	Unit Rental Yield
Kyneton (3444)	3.6%	5.1%
Malmsbury (3446)	4.5%	-
Woodend (3442)	3.0%	2.8%
Shire of Macedon Ranges	3.8%	3.9%
Melbourne Metro	2.7%	3.9%

## KEY HOUSING DEMOGRAPHICS

	Kyneton	Shire of Macedon Ranges	Victoria
Median weekly rent	\$300	\$315	\$325
Family households	1,764	12,279	1,495,290
Single or lone person households	732	3,174	521,828
Worked full time	1,634	12,691	1,670,556
Worked part time	1,152	7,806	920,875
Occupied private dwellings	2,567	15,729	2,112,699
Unoccupied private dwellings	322	1,858	278,629

\*Rental performance graph represents aggregate house median rent prices in the following: Kyneton. Annual change is a comparison between 1<sup>st</sup> half 2017 and 1<sup>st</sup> half 2018 median rent figures.  
Source: APM Pricerfinder, SQM Research, ABS Census 2016. © Copyright PRDNationwide 2018.

## PROJECT DEVELOPMENT MAP 2018\*



Location	Project**	Type	Estimated Value***	Commence Date****
1	Kyneton Railway Station	Infrastructure	\$1,250,000	01/11/2018
2	Kyneton Salesyards Upgrade	Infrastructure	\$500,000	12/03/2018
3	Kyneton Town Hall	Infrastructure	\$500,000	24/08/2018
4	Kyneton on Riverside – 22 Village Green Drive (82 lots)	Residential	\$1,001,286^	17/07/2018

\*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 suburb of Kyneton.

\*\*\*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.

^Full project cost is undisclosed; however, construction costs for stages 1-5 are upwards of \$1,000,000.

Source: Cordell Database, ESRI ArcGIS, Macedon Ranges 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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