



Ballarat
Property Factsheet
2nd Half 2018





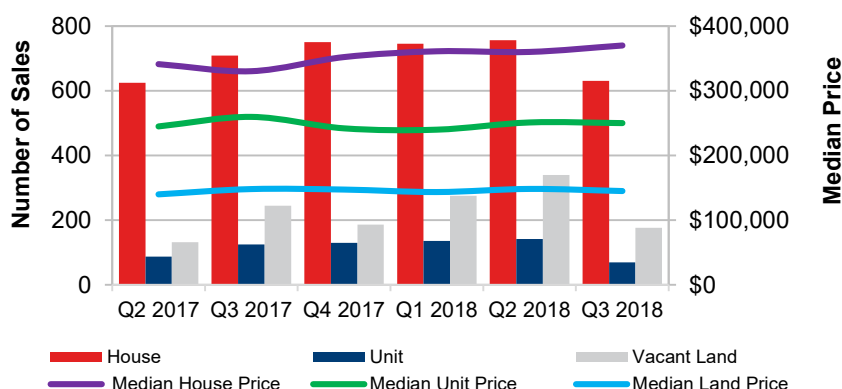
MARKET CONDITIONS

In the 12 months to Q3 2018, the median house price in Ballarat* softened by -3.4% to \$402,500, while the median unit price grew by 13.8% to \$280,000. In comparison with the annual price growth reported in the *Ballarat* 1st Half 2018 Research Factsheet*, houses have become more affordable while units now represent a more premium market. Between Q3 2017 – Q3 2018 houses in the City of Ballarat Local Government Area (LGA) saw a median price growth of 12.1% to \$370,000, while units softened by -3.7% to \$250,000. Ballarat* is a premium market within the wider City of Ballarat (LGA) area.

Average vendor discounting has followed the 18-month long trend of continued tightening, to the tightest average vendor discount Ballarat* has seen, of -2.0% (house) and -0.2% (units) in Q3 2018. This suggests that sellers are continuing to achieve final sale prices closer to their initial asking prices. Average days on market for houses and units have also fallen across the same period, now at 39 days for houses and 43 days for units. Together these indicators suggest that buyers need to act quickly with their best offers to secure a property.

The rental market in Ballarat* remains strong, with the median house rent price growing by 8.5% to \$320 per week and units by 1.9% to \$265 per week. Increasing median rental prices occurred despite an increase in the number of houses rented and a decline in the number of units rented, suggesting overall rental demand will remain strong in Ballarat*. Ballarat* rental yields were recorded at 3.9% (house) and 4.4% (units) in June 2018. Vacancy rates were recorded at a very low 1.3% in June 2018. These indicators confirm a highly conducive investment environment in Ballarat*, especially when compared to the Melbourne Metro market, who recorded lower rental yields and higher vacancy rates. Now is the time to invest in Ballarat*.

CITY OF BALLARAT LGA GROWTH



OVERVIEW

Ballarat is the third largest inland city in Australia, approx. 1.5hrs drive north-west of Melbourne CBD. According to ABS Census 2016 31.4% of occupied private dwellings in Ballarat* were rented, higher than the Victorian average of 28.7%. Further, the number of private dwellings grew by 11.8% during this time, signalling a healthy rental market for investment.

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 invest approximately \$160.4M of future developments in the 2nd half of 2018, 73.0% to be dedicated to commercial projects. This is a key strategy for Ballarat* as commercial projects will increase economic activity in the area and support local job creation, resulting in sustainable economic growth.

A key commercial project is the Ballarat GovHub (\$90.0M), which will design and construct a Civic Hall Site in Ballarat. The main hall will be redeveloped as a multi-use space and will house up to 1,000 workers. Includes government offices, commercial offices, and retail spaces.

In total 1,100 lots, 21 townhouses, and 44 dwellings are planned for the 2nd half of 2018; which will be delivered through 8 residential projects. A key project is the Winterfield Residential Community Development (\$20.0M). This is a brand new master planned community that will support first home buyers, as it plans to add 1,100 lots into the market. Others include: the St Pauls Way Residential Development (\$2.6M, 13 townhouses) and the Humfray Street North Dwellings (\$2.4M, 16 dwellings).

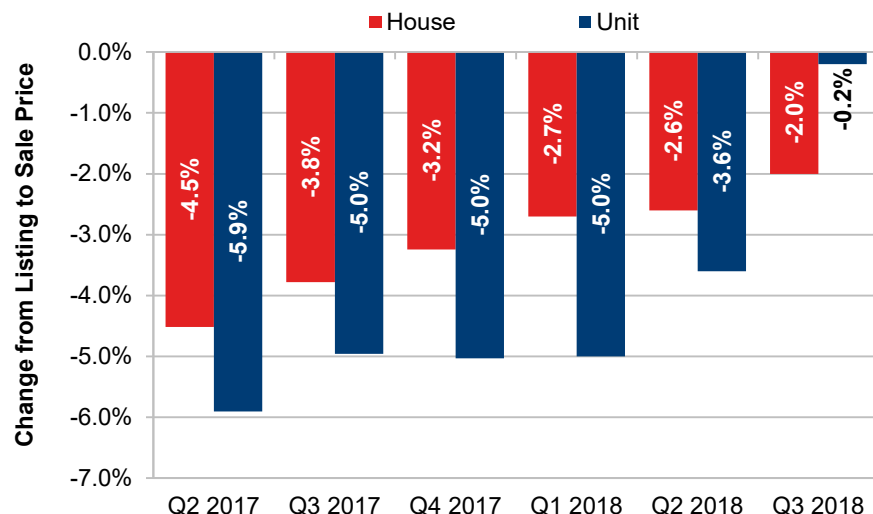
*Q3 2018 quoted data represents both settled transactions (i.e. government data) and agents' advice.

**Ballarat market data and key indicators encapsulates aggregate property market conditions in the following postcode: 3350.

**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, Cordell Connect, ABS. © Copyright PRDNationwide 2018.

AVERAGE VENDOR DISCOUNT*



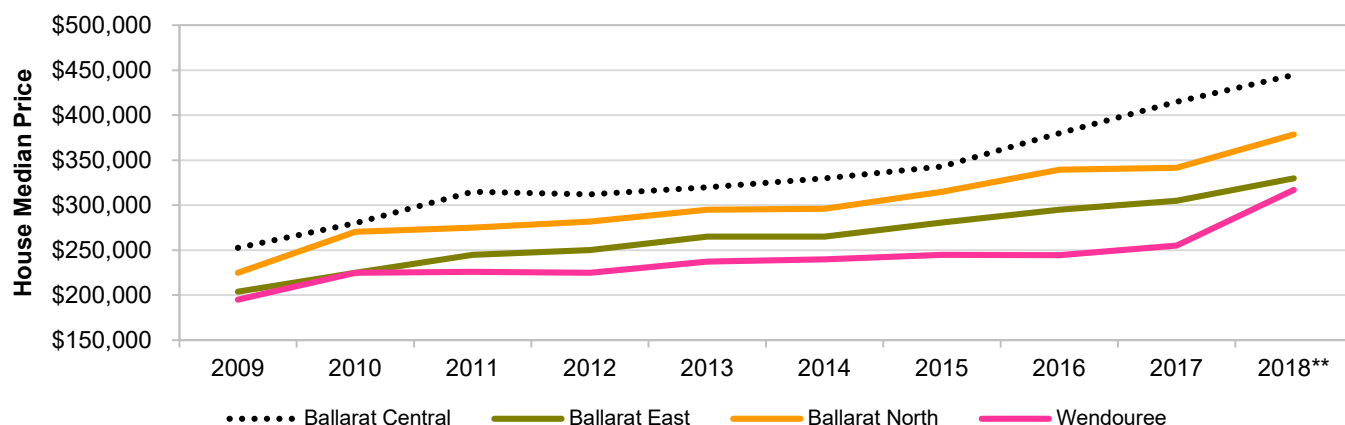
AVERAGE VENDOR DISCOUNT

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.

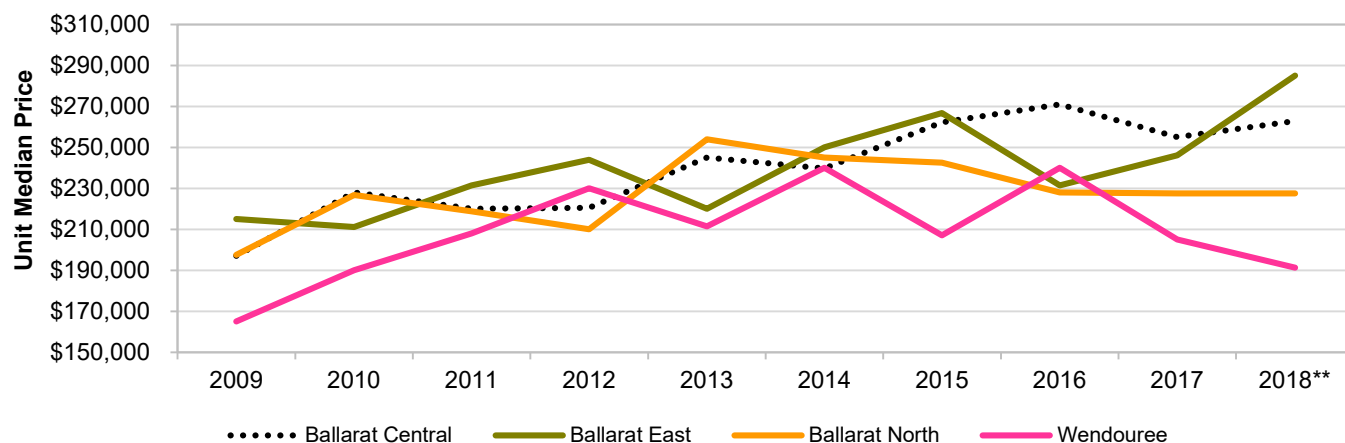
MARKET COMPARISON GRAPH

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

HOUSE MARKET COMPARISON



UNIT MARKET COMPARISON

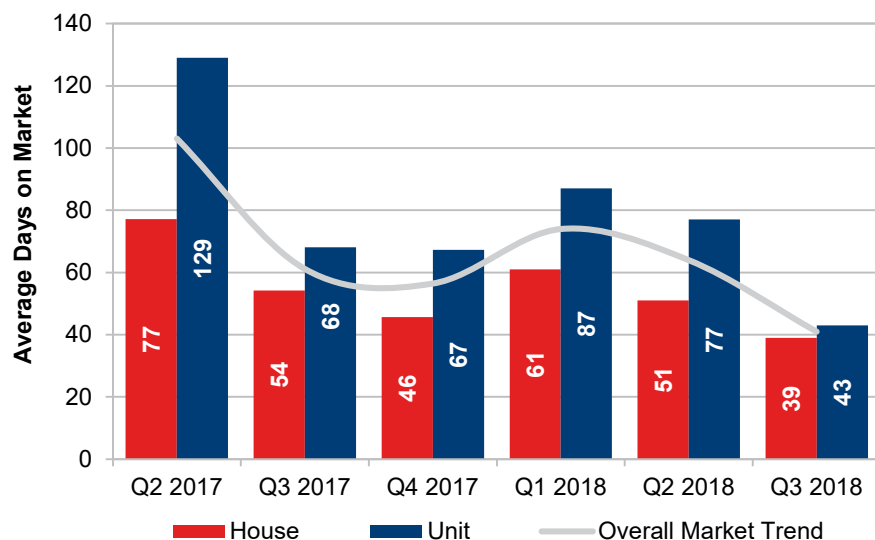


*Ballarat market data and key indicators encapsulates aggregate property market conditions in the postcode 3350. Q3 2018 information represents data from both Normal sales (i.e. settled sales transactions derived from Government sources) and Agents Advice sales (i.e. sales transactions not derived from Government sources).

**2018 market date represents sales from 01/01/2018 to 30/09/2018 only

Source: APM Pricefinder. © Copyright PRDNationwide 2018.

AVERAGE DAYS ON MARKET*



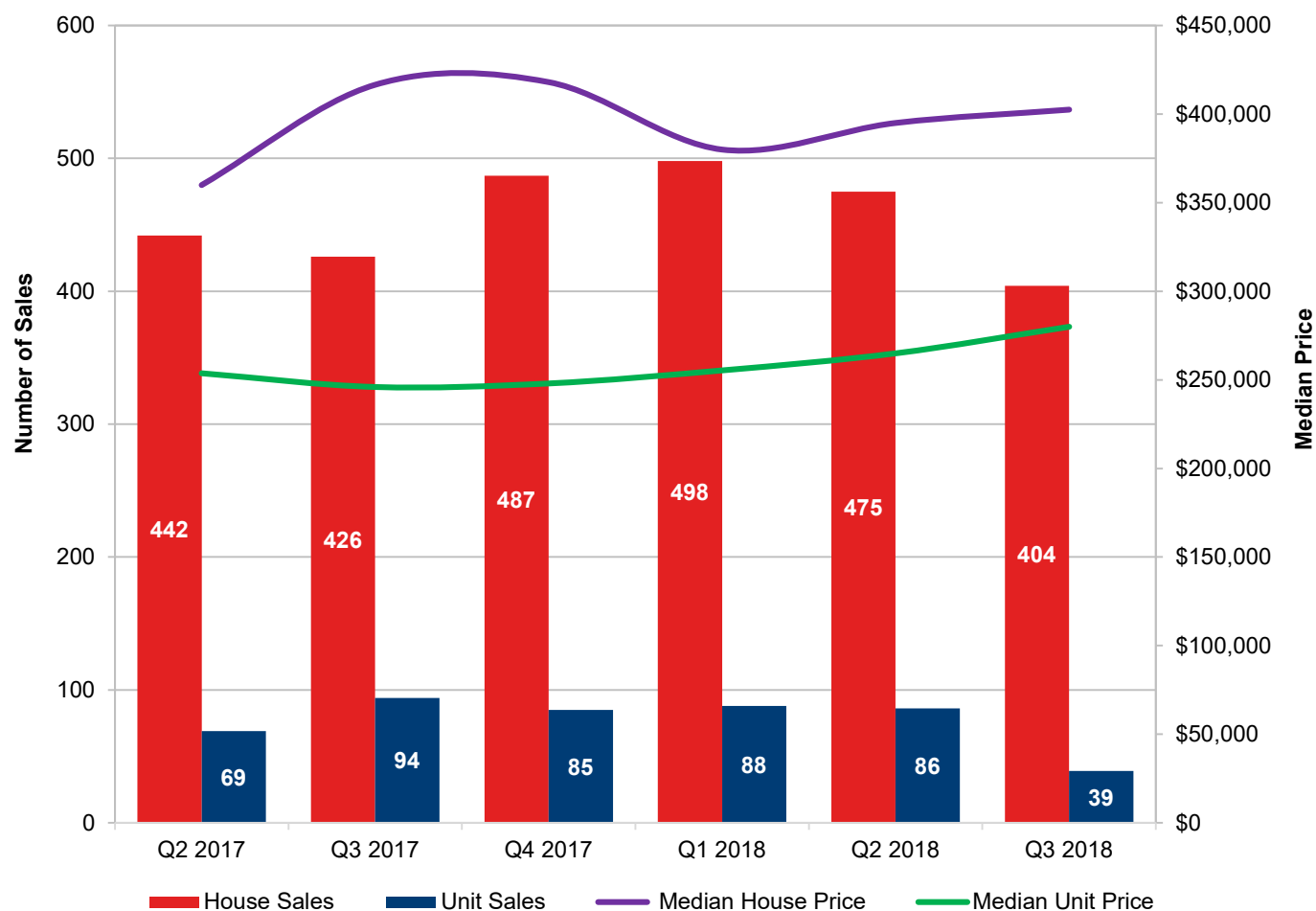
HOUSE KEY FACTS Q3 2018

Median Sale Price: \$402,500
Annual Growth: -3.4%**
Average Days on Market: 39
% Change between First Listed Price and Sold Price: -2.0%

UNIT KEY FACTS Q3 2018

Median Sale Price: \$280,000
Annual Growth: 13.8%**
Average Days on Market: 43
% Change between First Listed Price and Sold Price: -0.2%

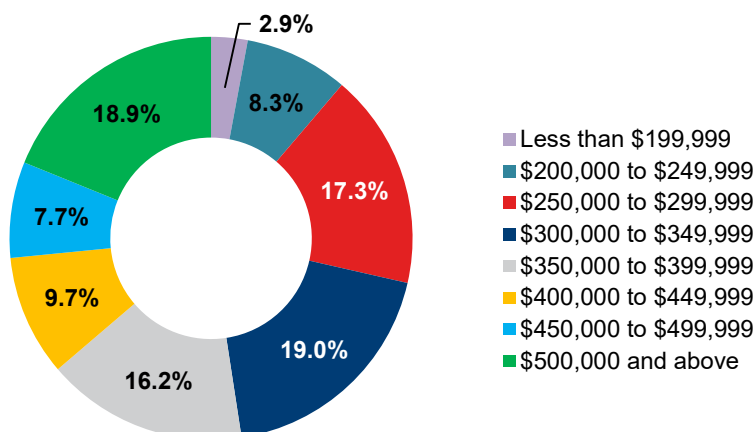
SALES AND MEDIAN PRICE*



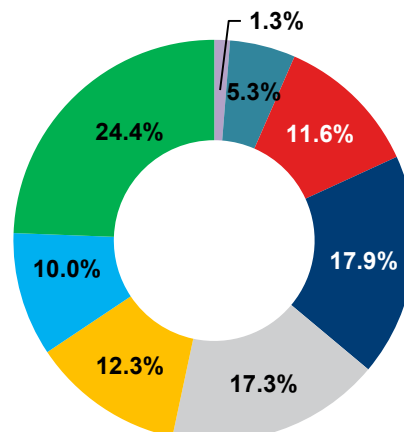
*Ballarat market data and key indicators encapsulates aggregate property market conditions in the following postcode: 3350. Q3 2018 information represents data from both Normal sales (i.e. settled sales transactions derived from Government sources) and Agents Advice sales (i.e. sales transactions not derived from Government sources).
**Annual growth represents price growth for property transactions between Q3 2017 to Q3 2018 (inclusive).
Source: APM Pricefinder, realestate.com.au, SQM Research. © Copyright PRDnationwide 2018.

SALES PRICE POINT COMPARATIVE ANALYSIS*

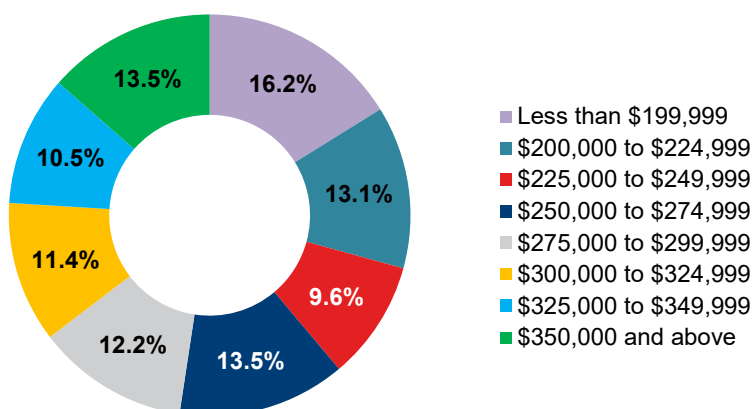
HOUSE PRICE POINT 2017



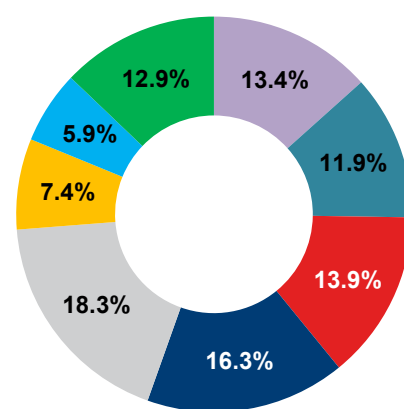
HOUSE PRICE POINT 2018



UNIT PRICE POINT 2017



UNIT PRICE POINT 2018



KEY IMPLICATIONS - HOUSE

The largest price bracket for houses sold in Ballarat* in 2018 was the \$500K+ segment at 24.4% of sales, an increase from 18.9% in 2017. In contrast, in 2017 the largest segment of sales was the \$300K-\$350K range at 19.0%, which shrunk to 17.9% in 2018. This shift towards a higher pricing point structure is despite an annual median price softening in the market, thus there is still a healthy buyer appetite for higher quality stock.

Affordable stock, priced below \$350K, have declined from a total sale of 47.5% in 2017 to 36.1% in 2018. Conversely, these sales have moved into the premium end, with sales above \$350K now totaling 64.0%. Those looking for affordable options need to act fast.

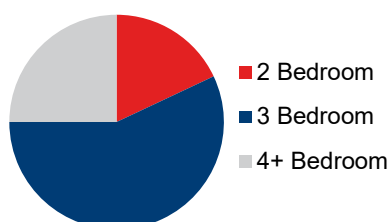
KEY IMPLICATIONS - UNIT

Shifts in the Ballarat* unit market from 2017 to 2018 were less significant than those in the house market. The largest bracket in 2018 was sales in the \$275K-\$300K price bracket, growing from 12.2% in 2017 to 18.3% in 2018. This was also the largest swing of any single bracket across the period.

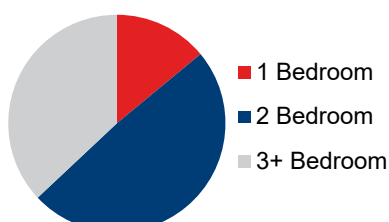
Affordable units below \$225K declined to 25.3% of total sales in 2018. At the same time, there was also a decrease in the upper segment of the market, with units priced \$300K+ declining to 26.2%. When coupled with the increase in middle price segments, there is a clear movement into the middle of the market, suggesting better quality stock is preferred but not at significant cost.

INVESTMENT ANALYSIS

HOUSE



UNIT



HOUSE KEY FACTS Q3 2018

Median Rent Price: \$320 per week
Rental Yield: 3.9%
Average Days on Market: 23
Bedroom Breakdown:
 2 Bed: 18%, 3 Bed: 57%, 4+ Bed: 25%

UNIT KEY FACTS Q3 2018

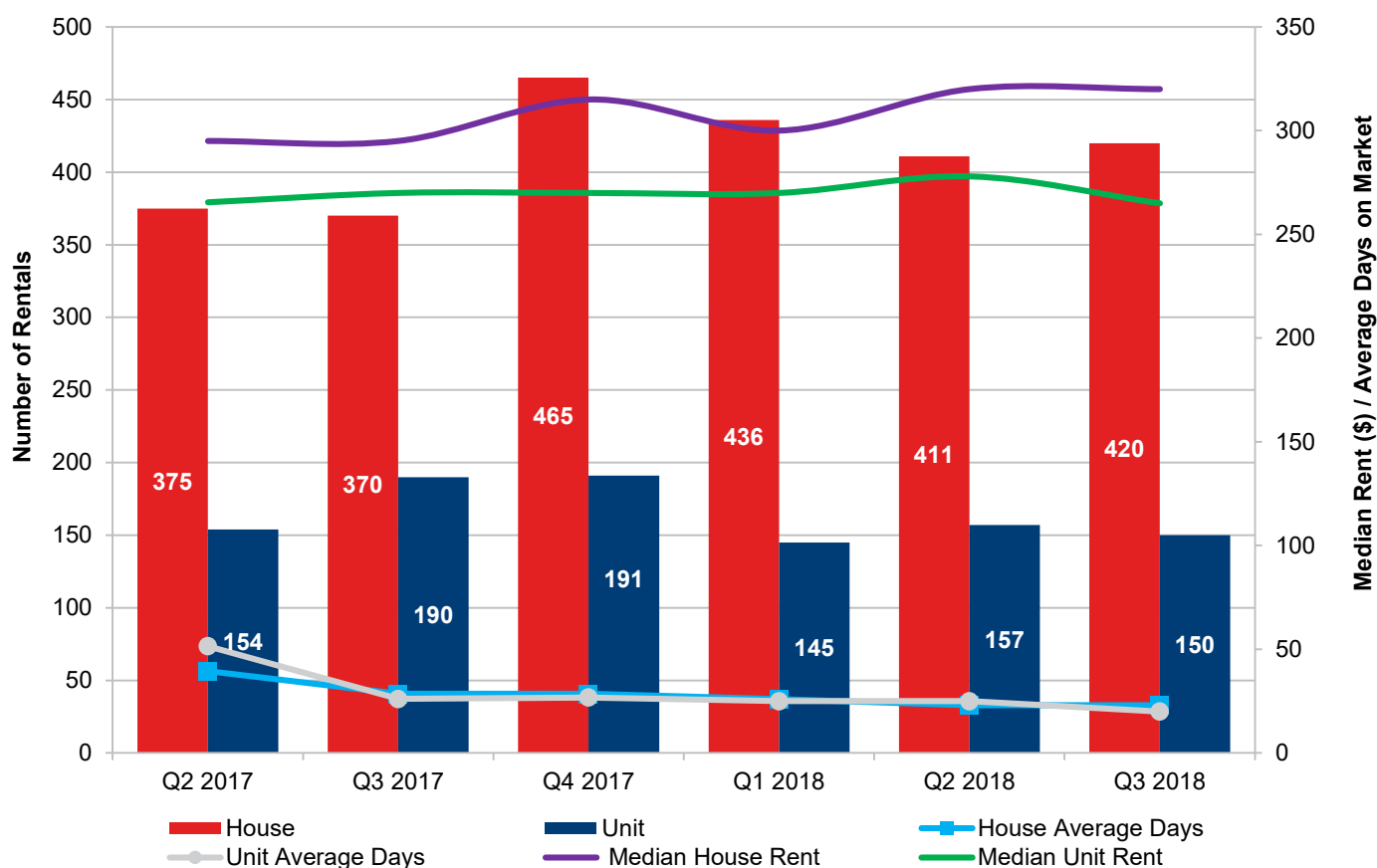
Median Rent Price: \$265 per week
Rental Yield: 4.4%
Average Days on Market: 20
Bedroom Breakdown:
 1 Bed: 14%, 2 Bed: 49%, 3+ Bed: 37%

KEY COMMENTS

The Ballarat* rental market continues to serve investors well, particularly for houses. Median house rental price increased by 8.5% over the past 12 months to Q3 2018, to \$320 per week. During this time the number of houses rented also increased, by 13.7%. This suggests real growth in investment returns and that median rental price increase was not due to a scarcity in the market. Average days on market for both house and units have decreased, by -19.4% and -23.3% respectively, which suggests that there is a quick uptake of rental properties. This is good news for investors looking for an alternative investment options.

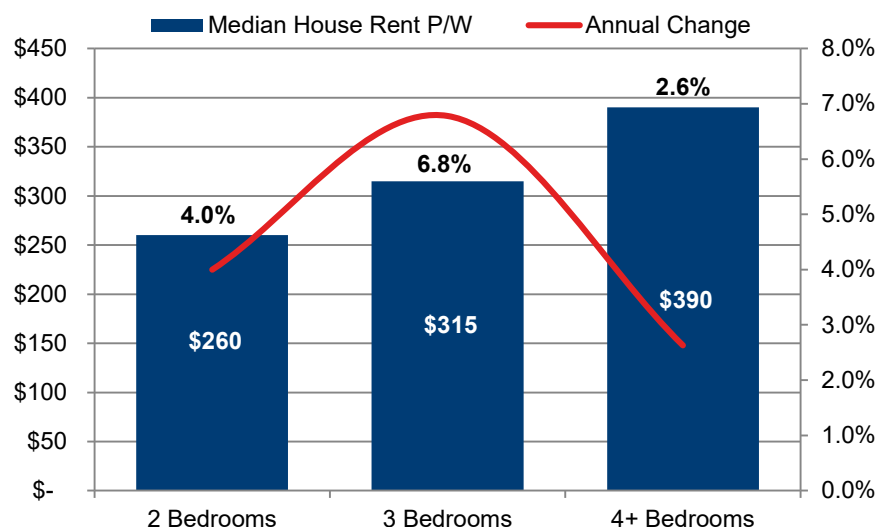


MEDIAN RENT AND AVERAGE DAYS ON MARKET*



*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 2018*



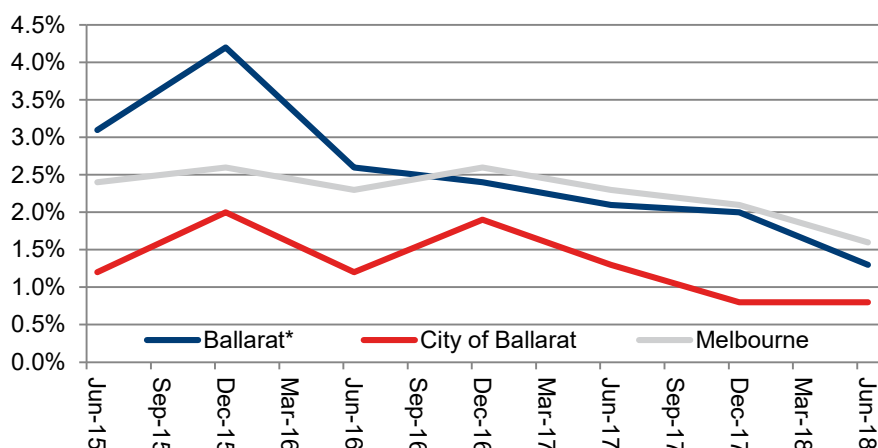
KEY COMMENTS

Rental returns are particularly strong in Ballarat*, at 3.9% (house) and 4.4% (units) respectively. This is well above that of Melbourne Metro's rental yields of 2.7% (house) and 3.9% (units).

3 bedroom houses provide the highest annual rental growth at 6.8%, with a median price of \$315 per week.

Vacancy rates in Ballarat were 1.3% in June 2018, a record low over the past 3 years. Vacancy rates in Ballarat have trended downwards, suggesting a healthy rental demand. Furthermore Ballarat* vacancy rates are lower than Melbourne Metro, which confirms it as an investment hotbed.

VACANCY RATES 2018



RENTAL YIELD 2018

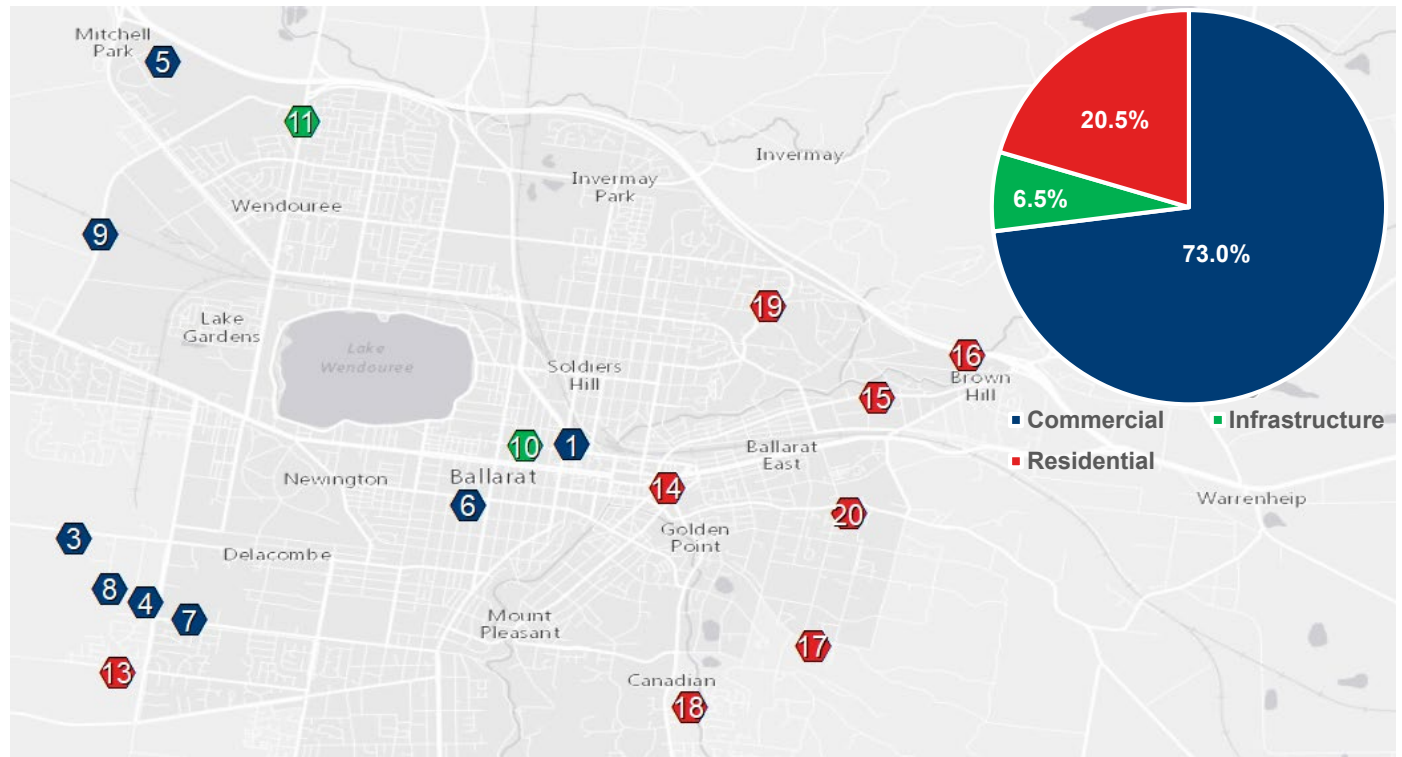
Suburb/ Postcode/ LGA	House Rental Yield	Unit Rental Yield
Ballarat*	3.9%	4.4%
City of Ballarat	4.2%	4.8%
Melbourne Metro	2.7%	3.9%

KEY HOUSING DEMOGRAPHICS

	Ballarat (3350)	Ballarat City LGA	Victoria
Median weekly rent	\$250	\$250	\$325
Family households	1,173	25,249	1,495,290
Single or lone person households	812	11,378	521,828
Worked full time	1,409	25,472	1,670,556
Worked part time	1,014	16,673	920,875
Occupied private dwellings	2,172	38,446	2,112,699
Unoccupied private dwellings	410	4,506	278,629

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

PROJECT DEVELOPMENT MAP 2nd HALF 2018*



Location	Project**	Type	Estimated Value***	Commence Date****
1	Ballarat Govhub	Commercial	\$90,000,000	01/12/2018
Not mapped	Grampians Alcohol & Drug Rehabilitation Facility	Commercial	\$10,000,000	17/12/2018
3	Police Forensic Hub Ballarat	Commercial	\$5,500,000	04/08/2018
4	Ferndale Confectionery	Commercial	\$4,500,000	30/10/2018
5	Goldacres	Commercial	\$2,780,000	17/12/2018
6	Australian Craft Beer Centre For Excellence	Commercial	\$1,200,000	15/11/2018
7	Heinz Road Warehouses	Commercial	\$1,200,000	27/11/2018
8	Icon Drive Warehouses	Commercial	\$1,000,000	09/12/2018
9	Mars/Masterfoods Australia	Commercial	\$1,000,000	01/12/2018
10	Vicroads Headquarters Ballarat	Infrastructure	\$8,000,000	29/11/2018
11	Ballarat Botanical Gardens Fernery Redevelopment Project	Infrastructure	\$1,400,000	29/11/2018
Not mapped	Ballarat Waste To Energy Facility	Infrastructure	\$1,000,000	15/10/2018
13	Winterfield Residential Community Development (1,100 Lots)	Residential	\$20,000,000	15/11/2018
14	St Pauls Way Residential Development Stage 3 (13 Townhouses)	Residential	\$2,600,000	12/12/2018
15	Humffray Street North Dwellings (16 Dwellings)	Residential	\$2,400,000	05/10/2018
16	Duggan Street Dwellings (12 Dwellings)	Residential	\$2,400,000	05/12/2018
17	Colette Court Dwellings (9 Dwellings)	Residential	\$2,250,000	06/09/2018
18	Geelong Road Townhouses (5 Townhouses)	Residential	\$1,300,000	19/11/2018
19	Walker Street Detached Dwellings (7 Dwellings)	Residential	\$1,000,000	07/08/2018
20	Frances Crescent Townhouses (3 Townhouses)	Residential	\$900,000	27/07/2018

*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 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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