



Hunter Valley
Property Factsheet
1st Half 2019





MARKET CONDITIONS

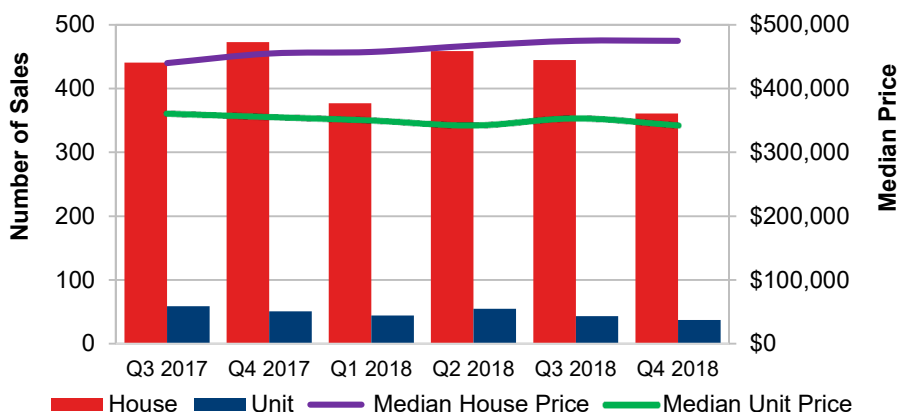
The Hunter Valley* recorded median prices of \$460,000 for houses and \$348,000 for units in Q4 2018. This represented annual (Q4 2017 – Q4 2018) price shifts of +2.8% for houses and -0.6% for units. Compared to the *2nd Half 2018 Hunter Valley Property Factsheet*, which reported price growth of 4.7% (house) and 13.1% (unit), properties in the Hunter Valley* have become slightly more affordable after a period of strong growth. This is good news for first time buyers seeking to enter the market.

The Maitland City Council Local Government Area (LGA) has seen median price changes of +4.4% to \$475,000 for houses and -3.5% to \$342,500 for units between Q4 2017 and Q4 2018. This positions the Hunter Valley* as a more affordable market than the Maitland City Council LGA. At the same time Hunter Valley* offers a more stable median price in the unit market and comparable growth in the house market.

In the 12 months to Q4 2018 average vendor discounting has continued to widen, from -2.6% to -4.1% for houses and from -2.4% to -3.5% for units. This suggests that buyers are able to negotiate a purchase price lower than the initial list price. This further highlights that now as an ideal time for first time home buyers to enter the market and benefit from superior discounts.

Median rental prices in Hunter Valley* were \$410 per week for houses and \$350 per week for units in Q4 2018. This represents annual median rent price growth of 2.5% for houses and 20.7% for units. Hunter Valley* average rental yields for houses of 4.1% and 4.9% for units were largely similar to the LGA's. A similar pattern is found in vacancy rates, with Hunter Valley* recording a rate of 1.1% in December 2018 and the LGA recording 1.2%. Hunter Valley's* rental yields were healthier than Sydney Metro's of 2.9% (house) and 3.8% (unit), and lower than the vacancy rate of 3.6%. This presents the Hunter Valley* as a superior regional area for property investment.

MAITLAND CITY COUNCIL LGA GROWTH



OVERVIEW

The Hunter Valley* is a region located approximately 200km north of Sydney which spans approximately 22,624km². The preferred method of sale in the Hunter Valley* is private treaty. This is evident in the low number of auctions which occurred in the area, and in the somewhat low clearance rate of 40.0%.

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

FUTURE DEVELOPMENTS**

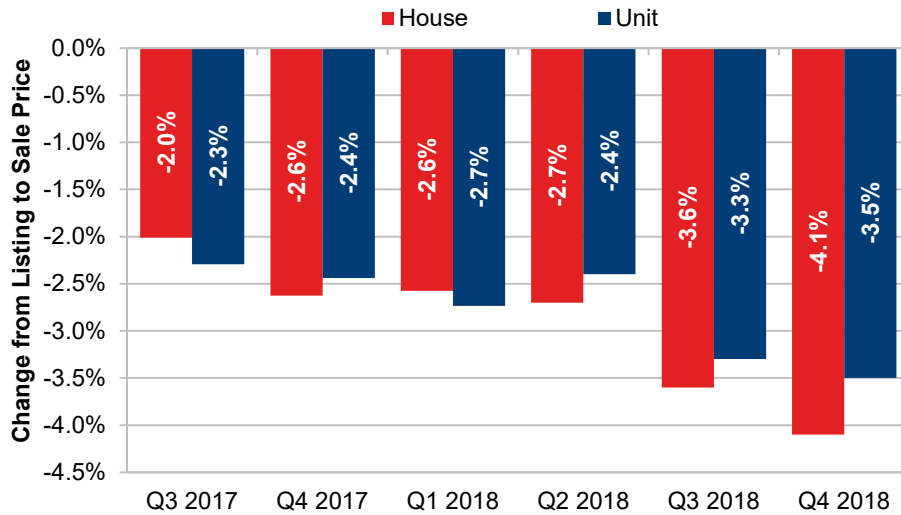
Within the Hunter Valley region, the Maitland City Council LGA* is set to benefit from approximately \$274.5M of development in the 1st half of 2019. Approximately \$230.0M (83.8%) of this development is of a commercial nature, while another \$27.2M (9.9%) is set to be spent on infrastructure, and a further \$17.2M is set for residential projects. Such a focus on commercial projects is beneficial for regional jobs and the economy, with positive spill-over effects on the property market in the near future.

One major project with early works set for commencement is the Dalmore Park – Rutherford Park Freight and Business Centre. Valued at an estimated \$100.0M, the project is set to develop a rail loop and a 74 lot business park subdivision. Such a project would bring significant economic benefit to the region through increased trade and job creation.

A key residential project is the \$13.5M Wallis Creek Residential Subdivision, which is set to create 268 housing lots. Other residential projects include the Sophia Waters Chisholm (\$2.2M, 44 subdivision lots), and Queen Street Dwellings (\$1.5M, 6 dwellings).

*Hunter Valley market data and key indicators encapsulates aggregate property market conditions in the following suburbs: Aberglasslyn, 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 Pricefinder, realestate.com.au. © Copyright PRDnationwide 2019.

AVERAGE VENDOR DISCOUNT



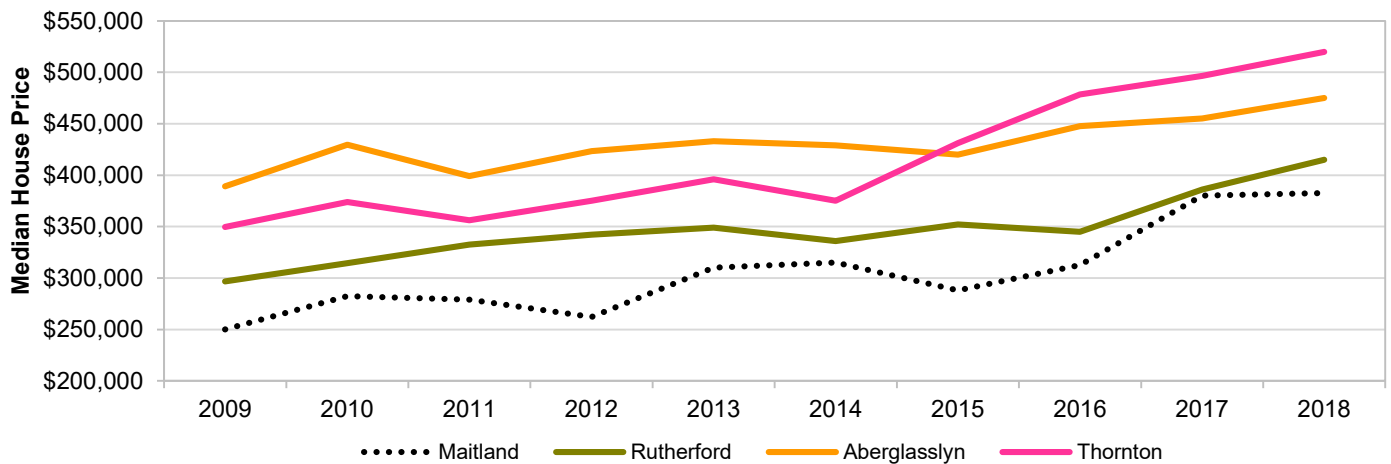
AVERAGE VENDOR DISCOUNT

The average vendor discount reflects the average percentage difference between the first list price and the 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.

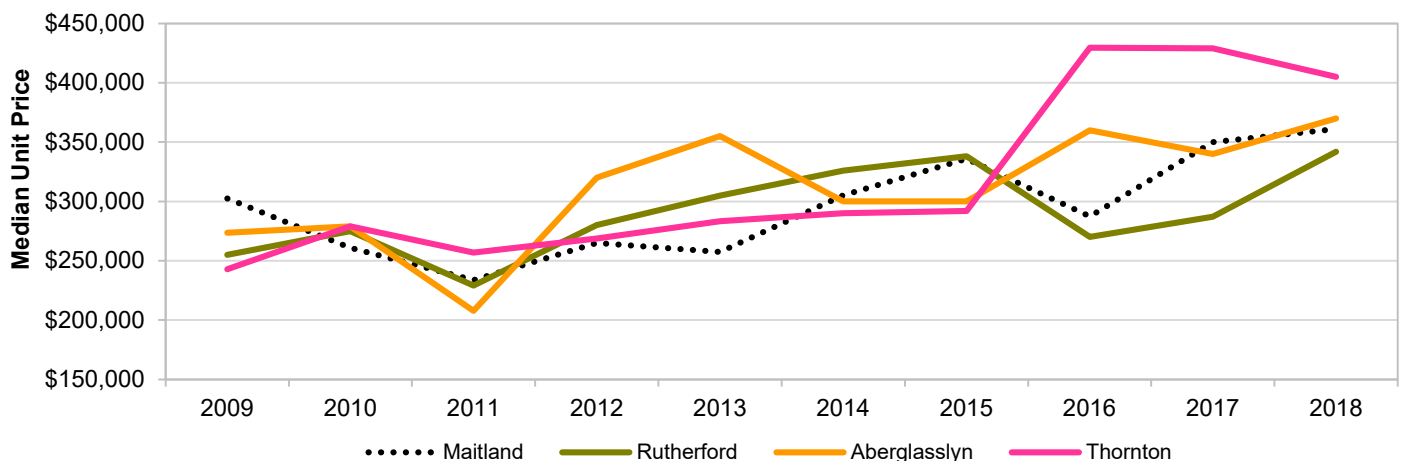
MARKET COMPARISON GRAPH

The market comparison graph provides a comparative trend for the median price of houses and units over the past 10 years. Suburbs profiled are the four main suburbs within the Hunter Valley area. These four were chosen based on the amount of sales for both houses and units, to ensure a balanced view.

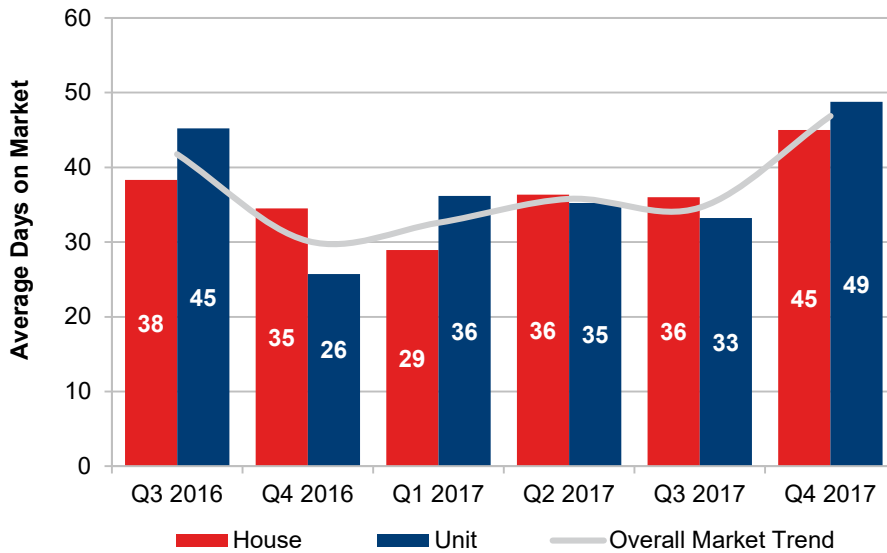
HOUSE MARKET COMPARISON



UNIT MARKET COMPARISON



AVERAGE NUMBER OF DAYS ON THE MARKET**



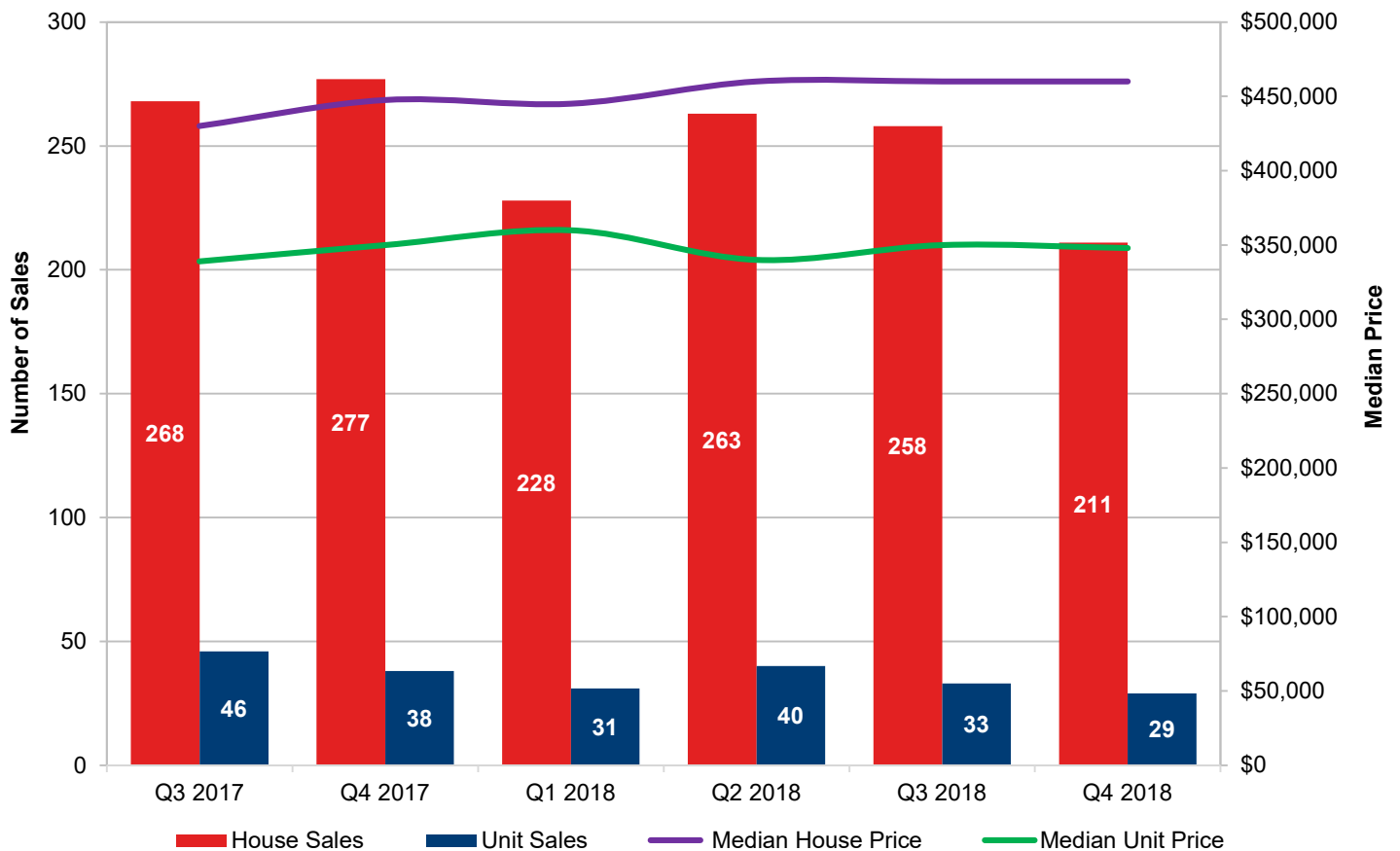
KEY HOUSE FACTS Q4 2018

Median Sale Price: \$460,000
 Annual Growth: 2.8%*
 Average Days on Market: 59
 % Change Between First Listed Price and Sold Price: -4.1%

KEY UNIT FACTS Q4 2018

Median Sale Price: \$348,000
 Annual Growth: -0.6%*
 Average Days on Market: 56
 % Change Between First Listed Price and Sold Price: -3.5%

SALES AND MEDIAN PRICES**

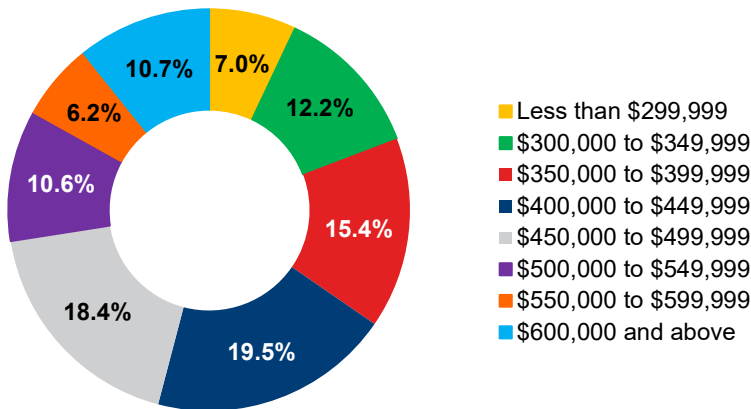


*Annual growth represents price growth for property transactions between Q4 2017 to Q4 2018 (inclusive).

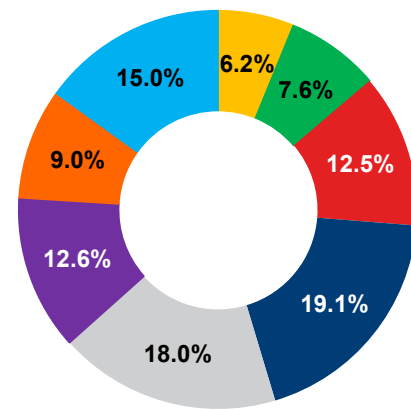
**Hunter Valley market data and key indicators encapsulates aggregate property market conditions in the following suburbs: Aberglasslyn, Ashtonfield, East Maitland, Maitland, Rutherford, and Thornton. Source: APM Pricefinder, realestate.com.au, SQM Research. © Copyright PRDnationwide 2019.

SALES PRICE POINT COMPATIVE ANALYSIS

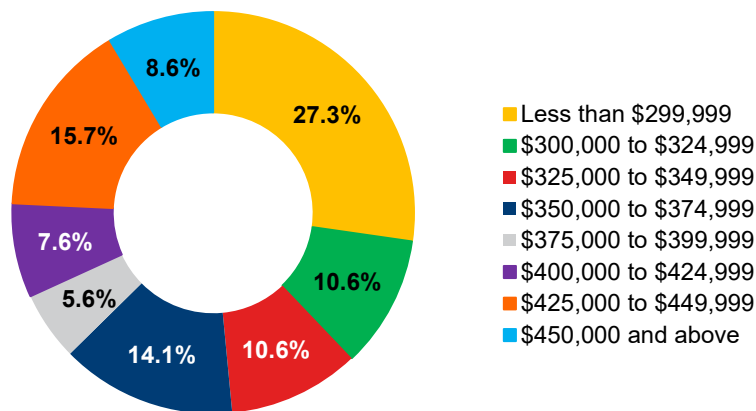
HOUSE PRICE POINT 2017



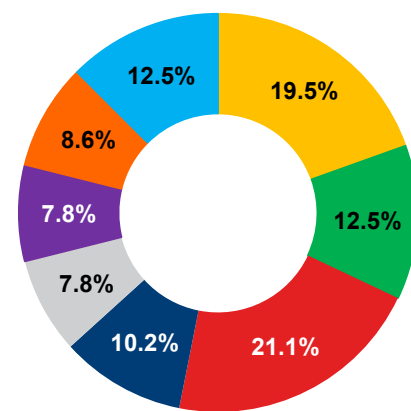
HOUSE PRICE POINT 2018



UNIT PRICE POINT 2017



UNIT PRICE POINT 2018



KEY IMPLICATIONS - HOUSES

The dominant price point for houses across 2018 in the Hunter Valley* was the \$400-450K segment, with 19.1% of total sales. This was a -0.4% decline from 2017. That said, this range was also the leading price point in 2017.

The largest single increase from 2017 to 2018 was in the \$600K+ range, which grew from 10.7% to 15.0%. At the same time, the largest decline occurred in the \$300K-\$350K price range, from 12.2% to 7.6% in 2018. This reveals a significant shift in affordability, with total sales below \$450K falling from 54.1% to 45.4% in 2018. Thus buyers looking to enter the market at an affordable level should act quickly to secure affordable houses while they are still available in the Hunter Valley*.

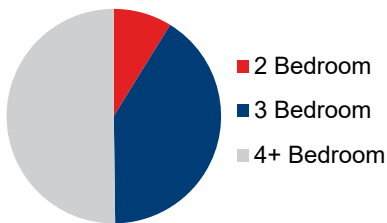
KEY IMPLICATIONS - UNITS

In 2018, the dominant unit price bracket in the Hunter Valley* was sales less than \$300K, at 19.5%. This was the same as in 2017, when it accounted for 27.3% of total sales. This is -7.8% decrease compared to 2017, which suggests that the bracket is rapidly shrinking despite its position as the dominant price point for unit sales.

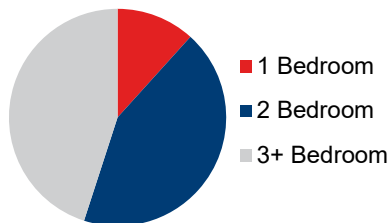
The largest swing in any price bracket occurred in the \$325K-350K price segment, which grew from 10.6% in 2017 to 21.1% in 2018. This shift resulted in an overall increase in sales below the \$350K bracket, accounting for over 50% of sales in 2018. This said, the rapid shrinking of the lowest bracket means buyers should act now to secure property at the most affordable price.

INVESTMENT ANALYSIS

HOUSE



UNIT



KEY HOUSE FACTS Q4 2018

Median Rent Price: \$410 per week
Rental Yield: 4.1%
Average Days on Market: 24
Bedroom Breakdown:
 2 Bed: 9%, 3 Bed: 41%, 4+ Bed: 50%

KEY UNIT FACTS Q4 2018

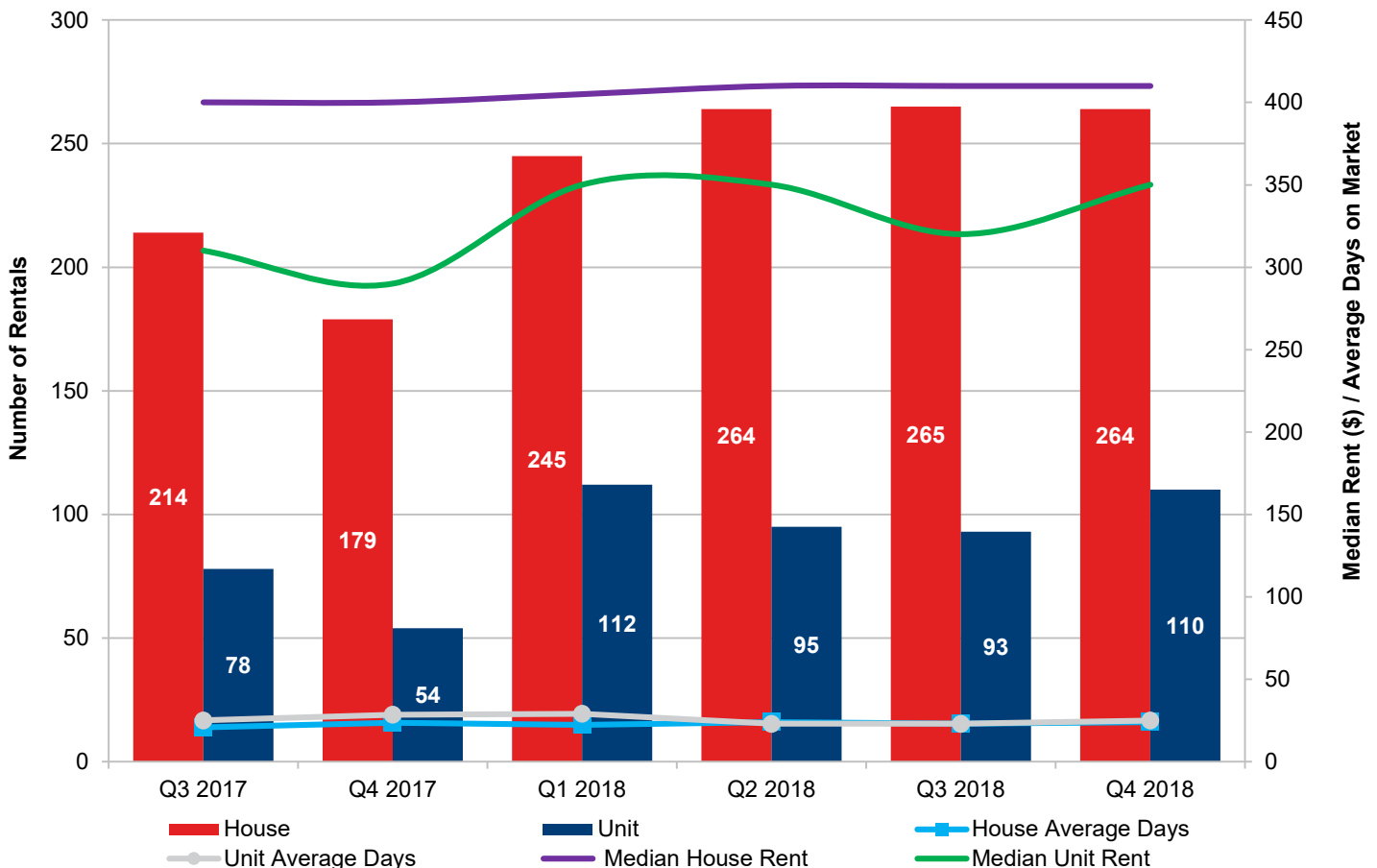
Median Rent Price: \$350 per week
Rental Yield: 4.9%
Average Days on Market: 25
Bedroom Breakdown:
 1 Bed: 12%, 2 Bed: 43%, 3+ Bed: 45%

KEY COMMENTS

Interest in the Hunter Valley* was recorded at an average of 597 online visits per property. Median rental prices of \$410 per week for houses and \$350 per week for units represents price growth of 2.5% and 20.7% in the 12 months to Q4 2018. This price growth was recorded despite a high surge in the number of houses and units rented in the market, up by 47.5% (houses) and 103.7% (units) respectively over the same period. This reveals the strength of the Hunter Valley* rental market, as it was able to cope with significant increases in the number of properties rented and yet still achieve increased median rental prices.

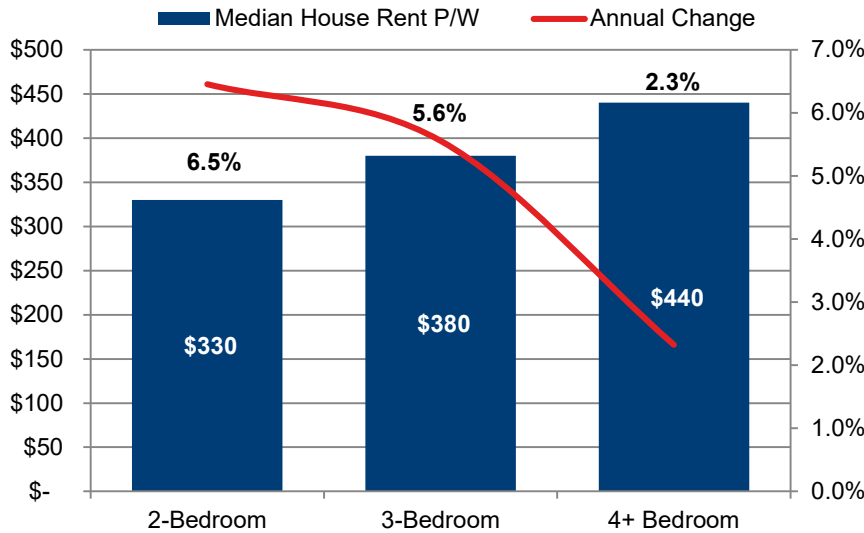


MEDIAN RENT AND AVERAGE DAYS ON THE MARKET*



*Disclaimer: Hunter Valley market data and key indicators encapsulates aggregate property market conditions in the following suburbs: Aberglasslyn, Ashtonsfield, East Maitland, Maitland, Rutherford, and Thornton. Source: APM Pricefinder, realestate.com.au, SQM Research. © Copyright PRDNationwide 2019.

RENTAL PERFORMANCE 2017*



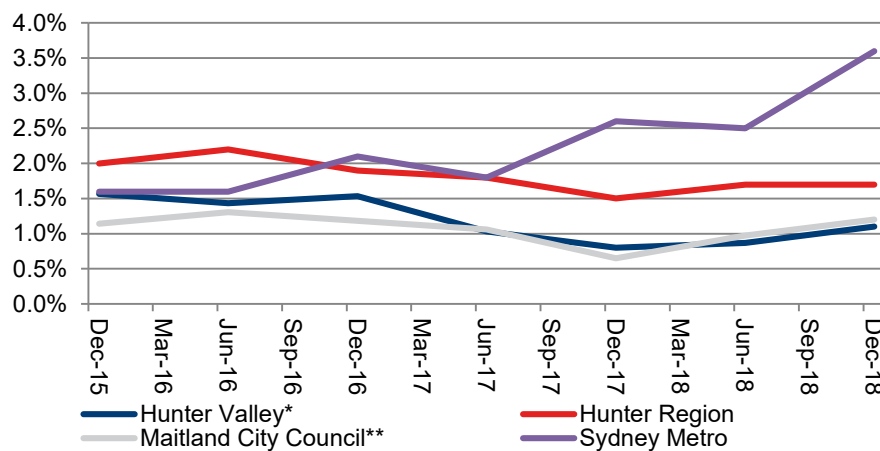
KEY COMMENTS

Rental returns of 4.1% (house) and 4.9% (unit) in the Hunter Valley* were similar to the Maitland City Council LGA. However this is significantly above Sydney Metro, which achieved just 2.9% (house) and 3.8% (unit).

2-Bedroom houses provide the highest annual rental growth at 6.5%.

Vacancy rates in the Hunter Valley* sat at a low 1.1% in December 2018, which shows strong rental demand for the area. This is a stark contrast with Sydney Metro which increased to 3.6%. This positions the Hunter Valley* as an investment hotspot for those seeking new options.

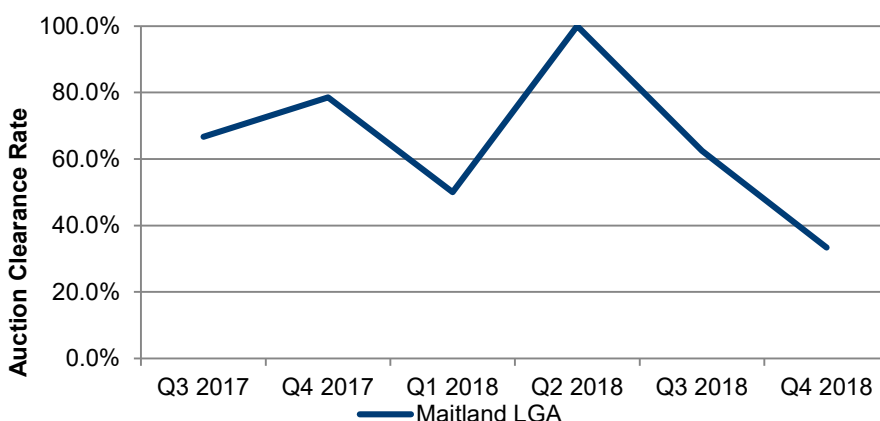
VACANCY RATES 2018



RENTAL YIELD 2018

Suburb/Postcode/LGA	House Rental Yield	Unit Rental Yield
Hunter Valley*	4.1%	4.9%
Maitland City Council LGA	4.2%	4.9%
Hunter Region	3.8%	4.4%
Sydney Metro	2.9%	3.8%

AUCTION CLEARANCE RATES 2018



Q4 18 COMPARISON

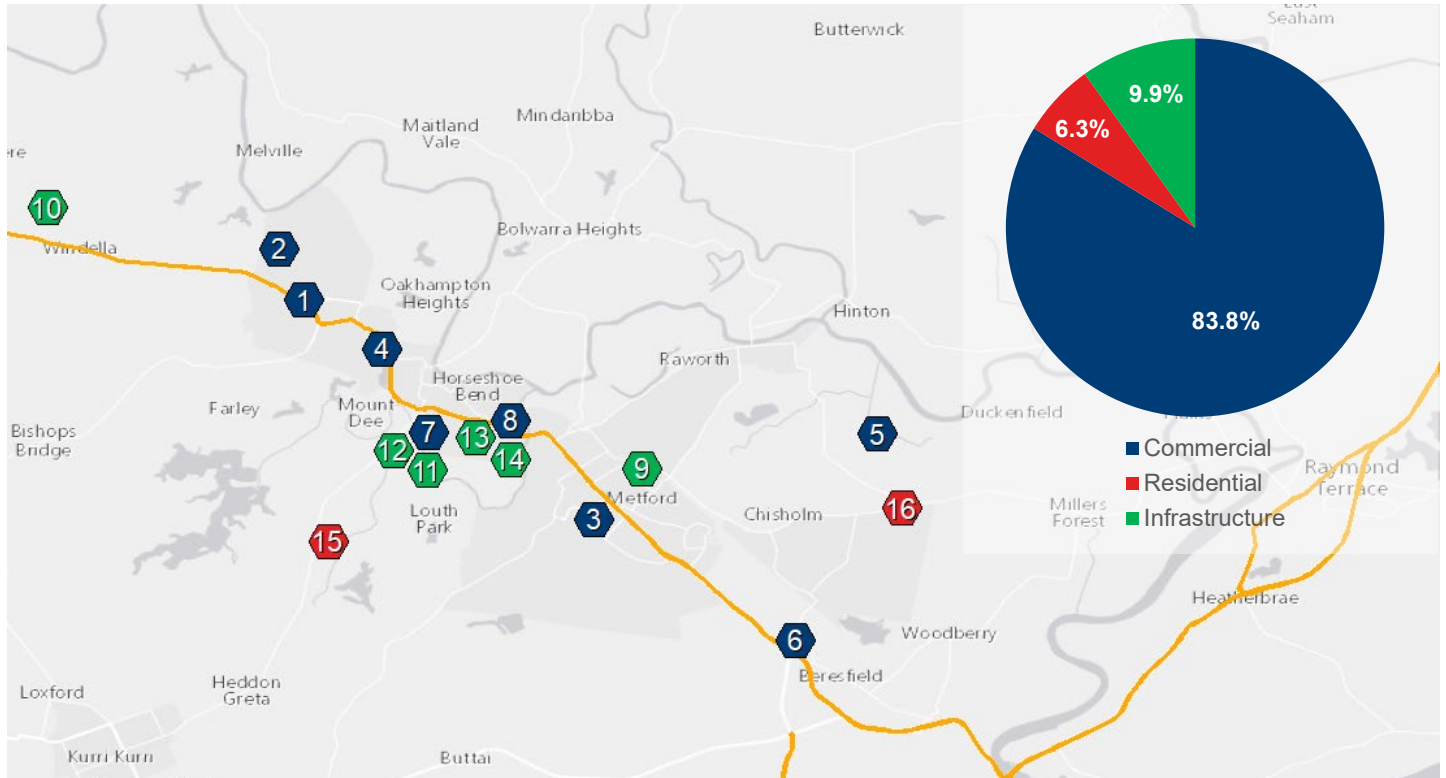
Suburb/Postcode/LGA	Auction Clearance Rate
Hunter Valley**	40.0%
Maitland City Council LGA	33.3%
Sydney Metro^	44.3%

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

**Auction Clearance rates for Hunter Valley are for all residential auctions held in the suburbs Aberglasslyn, Ashtonfield, East Maitland, Maitland, Rutherford, and Thornton. ^Capital city data obtained by accumulating Domain's weekly auction clearance results.

Source: APM Pricer, Domain, SQM Research. © Copyright PRDNationwide 2019.

PROJECT DEVELOPMENT MAP 1st HALF 2018*



Location	Project**	Type	Estimated Value***	Commence Date****
1	Dalmore Park - Rutherford Park Freight And Business Centre	Commercial	\$100,000,000	21/06/2019
2	Signature Gardens Retirement Resort Stage 2	Commercial	\$53,466,000	15/04/2019
3	Maitland Mutual Building Society	Commercial	\$28,000,000	18/03/2019
4	Bunnings Retail Warehouse	Commercial	\$25,250,000	04/03/2019
5	Duckenfield Road Seniors Housing Development Stages 1-10	Commercial	\$19,947,000	10/06/2019
6	Weakleys Drive Shop & Food & Drink Premises	Commercial	\$2,887,000	02/02/2019
7	Elgin Street Commercial Premises	Commercial	\$295,000	05/02/2019
8	Lorn Veterinary Hospital	Commercial	\$200,000	14/04/2019
9	New Maitland Hospital Stage 1	Infrastructure	\$10,000,000	18/02/2019
10	HW9 Wyndella Road Roadworks	Infrastructure	\$10,000,000	06/03/2019
11	Maitland Aquatic Centre	Infrastructure	\$5,800,000	28/01/2019
12	Cessnock Road Cycleway Bridge	Infrastructure	\$580,000	04/03/2019
13	Maitland City Council Car Parks	Infrastructure	\$548,000	01/02/2019
14	Maitland Town Hall	Infrastructure	\$300,000	07/06/2019
15	Wallis Creek (268 Lots)	Residential	\$13,480,000	01/05/2019
16	Sophia Waters Chisholm (44 Lots)	Residential	\$2,200,000	18/02/2019
17	Queen Street Dwellings (6 Dwellings)	Residential	\$1,500,000	08/02/2019

*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. © Copyright PRDnationwide 2019.

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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