





HUNTER VALLEY MARKET UPDATE 2nd Half 2019



OVERVIEW

In Q2 2019, Hunter Valley* recorded a median house price of \$485,000 and a median unit price of \$330,000. This represents annual (Q2 2018 – Q2 2019) median price growth of 4.3% for houses and a price softening of -4.3% for units. At the same time, total sales slowed for Q2 2019, by -29.4% for houses to 197 sales and by -59.4% for units to 13 sales. Now is the time to consider selling your home, with prices increasing and reduced local competition.

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

MARKET CONDITIONS

SALES MEDIAN PRICE Q2 2019



SALES AVERAGE DAYS ON MARKET Q2 2019



RENTAL MEDIAN PRICE Q2 2019

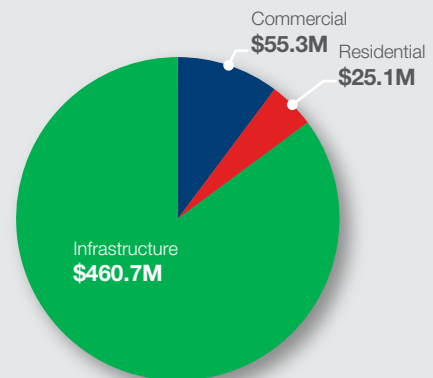


RENTAL AVERAGE DAYS ON MARKET Q2 2019



FUTURE DEVELOPMENTS

The Hunter Valley* area is set to see approximately **\$541.1M worth of new projects commencing in the 2nd half of 2019.**



A major focus on infrastructure investment by the government will stimulate economic growth and create large employment opportunities in the Hunter Valley*, which will have positive spill-over impacts on the real estate market.

The New Maitland Hospital Stage 2 (\$460.0M) infrastructure project will provide Hunter Valley* residents with better health services. Bunnings Warehouse Telarah (\$18.4M) is a key commercial project which is set to alter and extend the existing site. Further, Cheeva Apartments (\$6.0M) is a significant residential project that will add 23 units to the local area.



28 Units/
Apartments



Dwellings

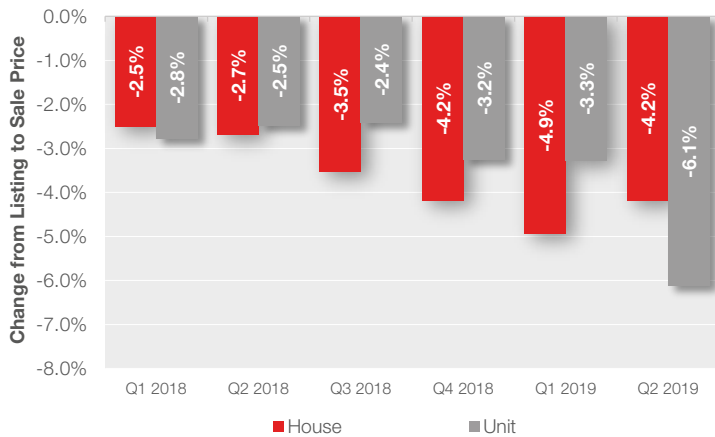


266 Lots

*Hunter Valley market data and key indicators encapsulates aggregate property market conditions within the 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 Pricer, Cordell Connect database. © Copyright PRDnationwide 2019.

AVERAGE VENDOR DISCOUNT*

Average vendor discount reflects the average percentage difference between the first list price and final sold price. A lower percentage difference (closer to 0.0%) suggests that buyers are willing to purchase close to the first asking price of a property.



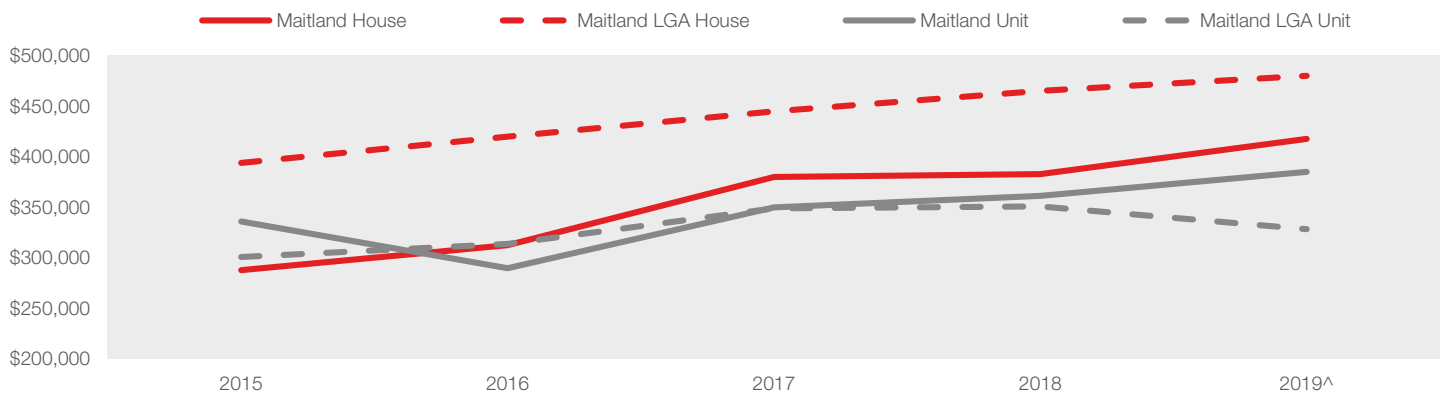
KEY COMMENTS

Average vendor discount between Q2 2018 and Q2 2019 has widened for both property types, to -4.2% for houses and -6.1% for units, indicating sellers are willing to negotiate below their initial listing price. Now is the time to enter the market in the Hunter Valley*, particularly for units which are seeing record levels of discounting.

Maitland has historically presented itself as an affordable suburb within the wider Maitland Local Government Area (LGA) for houses, whilst units have remained similarly priced. This said, 2019[^] sees Maitland's unit market becoming a premium one, with median prices higher than the LGA.

The dominant proportion of homes sold in the Hunter Valley* across the 1st half of 2019 were priced between \$450,000-\$550,000 (30.1%). Units recorded a split market, with dominant pricing at both \$300,000-\$350,000 (38.9%) and \$400,000-\$450,000 (33.3%) in the same period. This reveals a wide range of property options are available for buyers.

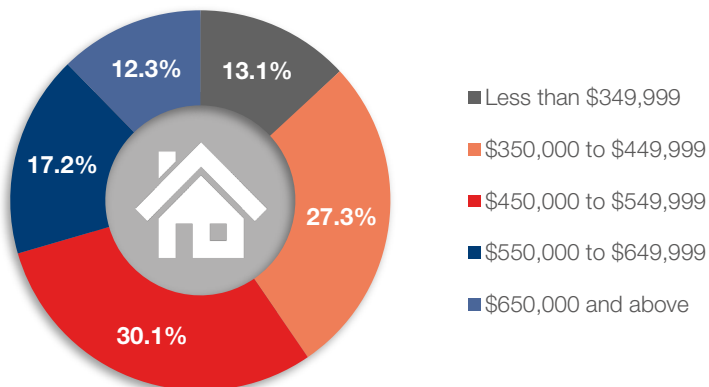
MARKET COMPARISON



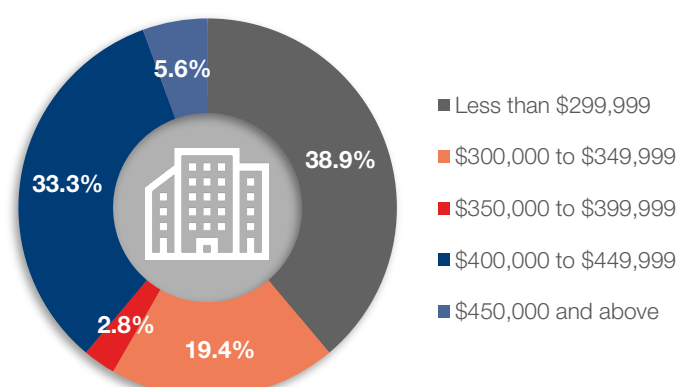
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled were chosen based on their proximity to the main suburb analysed, which is Maitland.

PRICE BREAKDOWN 1ST HALF 2019

HOUSES SOLD



UNITS SOLD

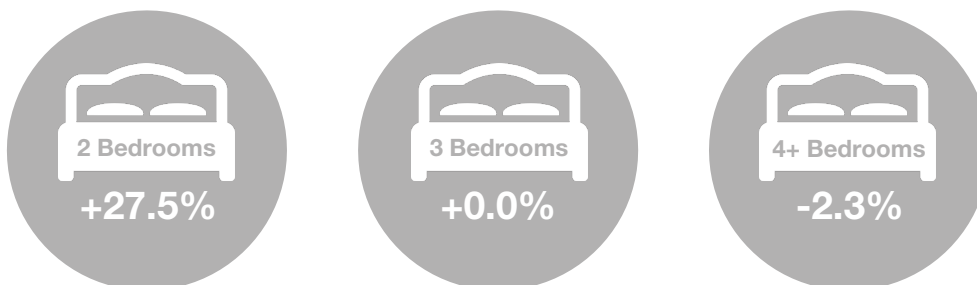


RENTAL GROWTH 2019*

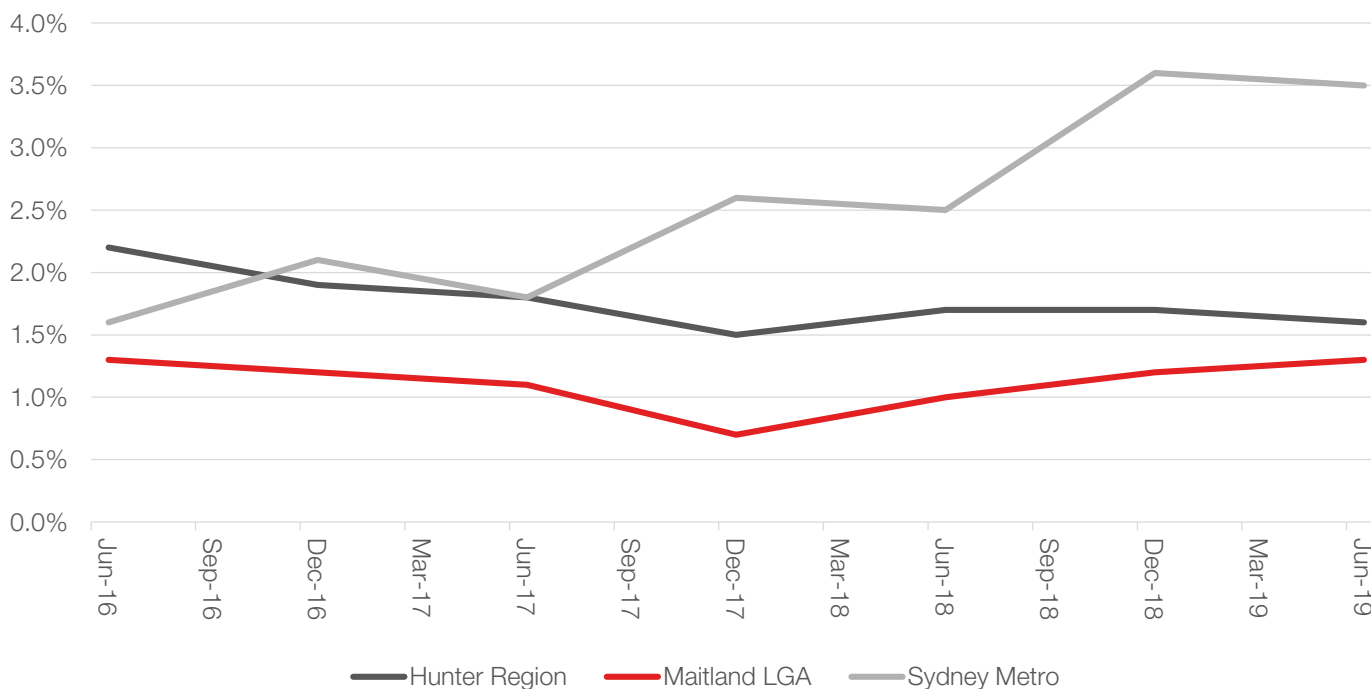
Over the past 12 months, house rental yields in the Hunter Region steadily increased to reach 3.9% in June 2019. This suggests the house rental market is in a healthy position, despite a slight decline in demand for rental properties in the Hunter Region across the same time period (-6.3% in the 12 months to Q2 2019).

2 bedroom houses have provided investors with +27.5% rental growth annually, achieving a median rent of \$345 per week.

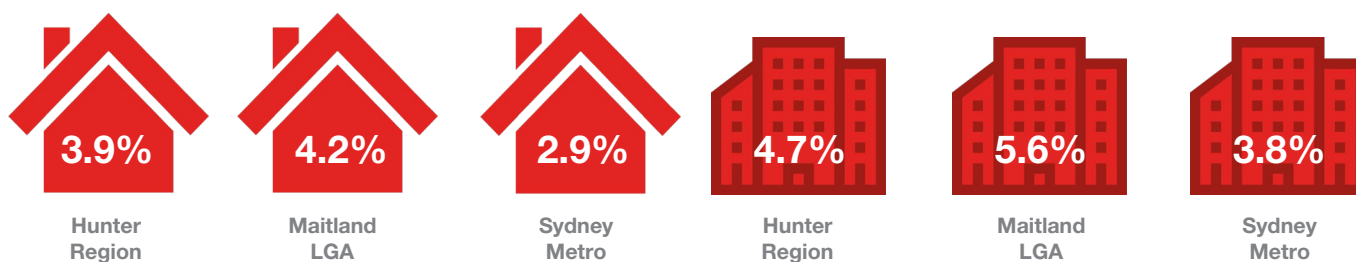
Vacancy rates in the Hunter Region remained stable over the past 12 months, recorded at 1.6% in June 2019. This is in contrast to increasing vacancy rates in Sydney Metro, which confirms there is a healthier rental demand in the Region.



RENTAL VACANCY RATES 2019



RENTAL YIELD 2019^

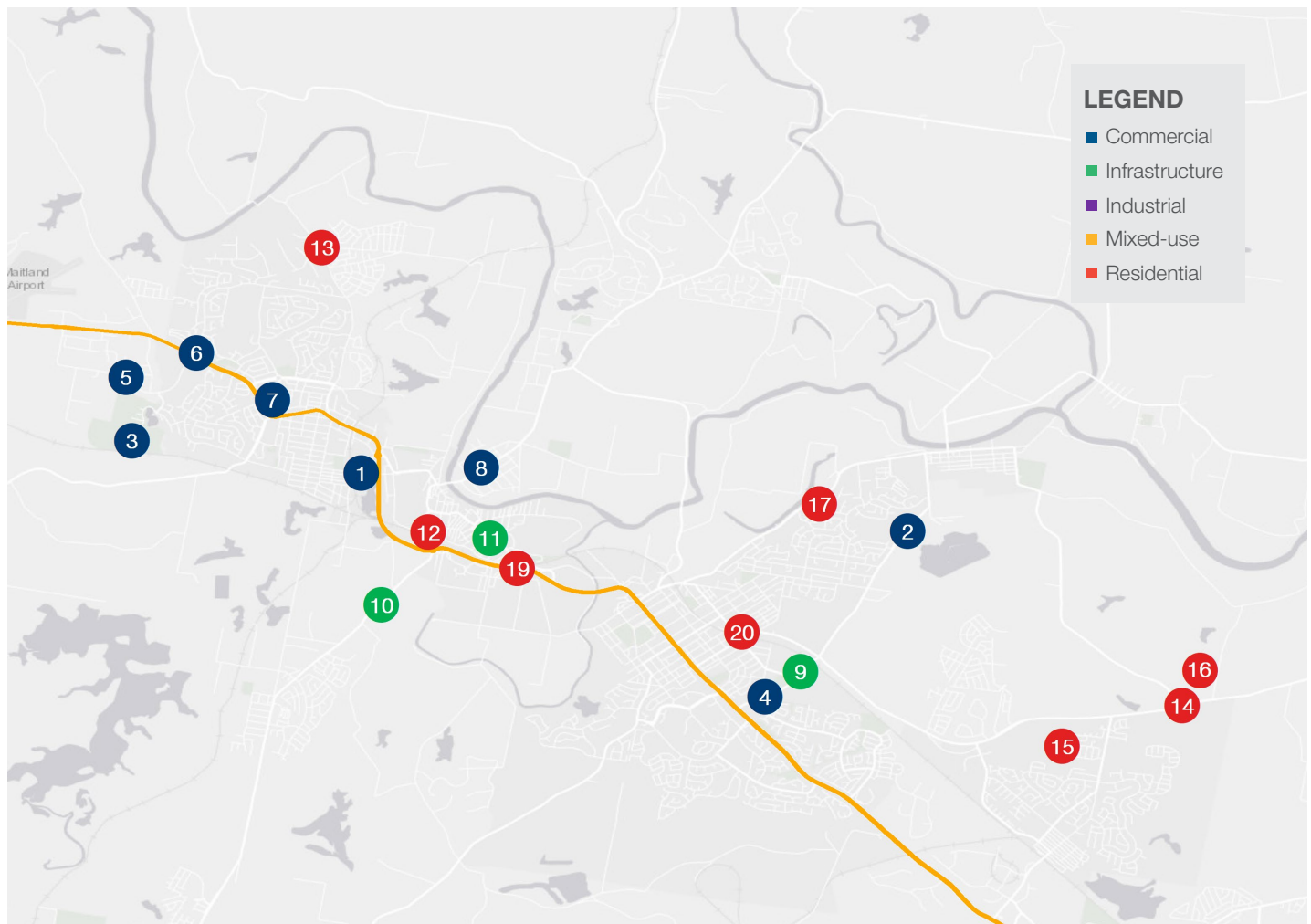


*Rental performance graph represents aggregate house median rent prices within the suburbs Aberglasslyn, Ashtonfield, East Maitland, Maitland, Rutherford, and Thornton. Annual rental growth is a comparison between 1st half 2018 and 1st half 2019 house median rent figures.

^Rental yields shown are as reported at June 2019.

Source: APM Pricerfinder, SQM Research. © Copyright PRDnationwide 2019.

PROJECT DEVELOPMENT MAP 2ND HALF 2019*



Location	Project**	Type	Estimated Value***	Commence Date****
1	Bunnings Warehouse	Commercial	\$18,424,000	14/12/2019
2	Lifestyle Villages Tenambit	Commercial	\$15,000,000	26/11/2019
3	Heritage Parc Retirement Village	Commercial	\$13,972,000	04/12/2019
4	Safe N Sound	Commercial	\$6,000,000	01/11/2019
5	Racecourse Road Warehouses	Commercial	\$1,130,000	25/11/2019
6	Bradford Hotel	Commercial	\$300,000	19/09/2019
7	Club Maitland City Solar Panels	Commercial	\$256,000	28/11/2019
8	Lorn Veterinary Hospital	Commercial	\$200,000	25/09/2019
9	New Maitland Hospital Stage 2	Infrastructure	\$460,000,000	09/12/2019
10	Cessnock Road Cycleway	Infrastructure	\$400,000	30/07/2019
11	Maitland Town Hall	Infrastructure	\$300,000	01/08/2019
12	Steam Street Apartments - Cheeva Apartments (23 Apartments)	Residential	\$6,000,000	18/10/2019
13	Lorikeet St Dwellings (16 Dwellings)	Residential	\$4,500,000	01/10/2019
14	Sophia Waters Chisholm – Masterplan (16 Dwellings)	Residential	\$3,800,000	05/11/2019
15	Raymond Terrace Rd Subdivision (148 Lots)	Residential	\$3,500,000	05/09/2019
16	Sophia Waters Chisholm (74 Lots)	Residential	\$2,100,000	27/11/2019
17	Morpeth Road Dwellings (44 Lots)	Residential	\$2,000,000	28/10/2019
18	Queen Street Dwellings (10 Dwellings)	Residential	\$1,500,000	08/10/2019
19	Abbot Street Units (5 Units)	Residential	\$924,000	21/12/2019
20	Raymond Terrace Rd Dwellings (5 Dwellings)	Residential	\$750,000	26/08/2019



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

OUR KNOWLEDGE

Access to accurate and objective research is the foundation of all good property decisions.

OUR PEOPLE

Our research team is made up of highly qualified researchers who focus solely on property analysis.

OUR SERVICES

Our research services span over every suburb, LGA, and state within Australia; captured in a variety of standard and customised products.



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