



Hunter Valley Market Update 2nd Half 2020



OVERVIEW

In Q2 2020, Hunter Valley* recorded a median house price of \$470,000, and a median unit price of \$325,000. This represents a slight annual (Q2 2019 – Q2 2020) median price softening of -3.1% for houses and growth of 1.6% for units. Between Q2 2019 – Q2 2020 total house sales slowed, by -9.7% (to 155 sales), while unit sales increased by 45.5% (to 16 sales). Overall the Hunter Valley* market remains in a fairly steady position amidst COVID-19 conditions, which is encouraging for current owners and perspective buyers.

	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 2020



SALES AVERAGE DAYS ON MARKET Q2 2020



RENTAL MEDIAN PRICE Q2 2020

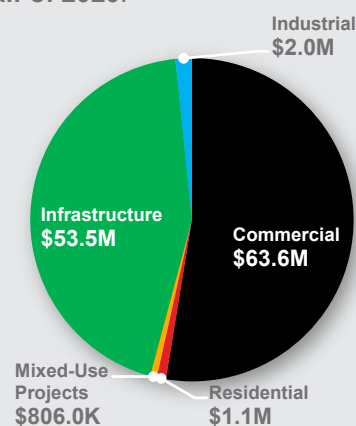


RENTAL AVERAGE DAYS ON MARKET Q2 2020



FUTURE DEVELOPMENTS

The Hunter Valley* area is set to see approximately **\$121.0M** worth of new projects commencing in the 2nd half of 2020.



A focus on commercial and infrastructure projects will stimulate economic growth and create employment opportunities in Hunter Valley*, which will have a positive spill-over impact on the real estate market.

A main commercial project over the 2nd half of 2020 is the Raymond Terrace Retirement Village (\$41.4M), which is set to create a total of 156 new retirement units. The \$43.0M infrastructure project Maitland Administration Centre will see the construction of a new 5,000 sqm building and the refurbishment of the existing State heritage-listed Maitland Town Hall. Residential projects such as the \$1.1M Kingham Circuit Residential Subdivision (21 lots) provide first home buyers with another avenue to enter the market.



Dwelling

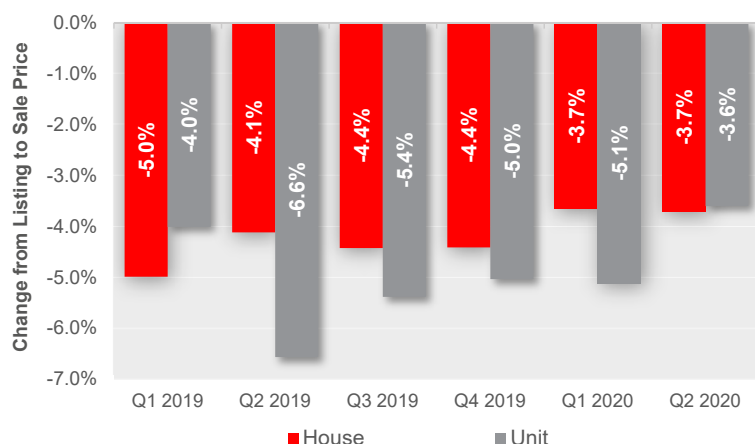


21 Lots

*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 Pricefinder, Cordell Connect database. © Copyright PRD 2020.

AVERAGE VENDOR DISCOUNT* KEY COMMENTS

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.

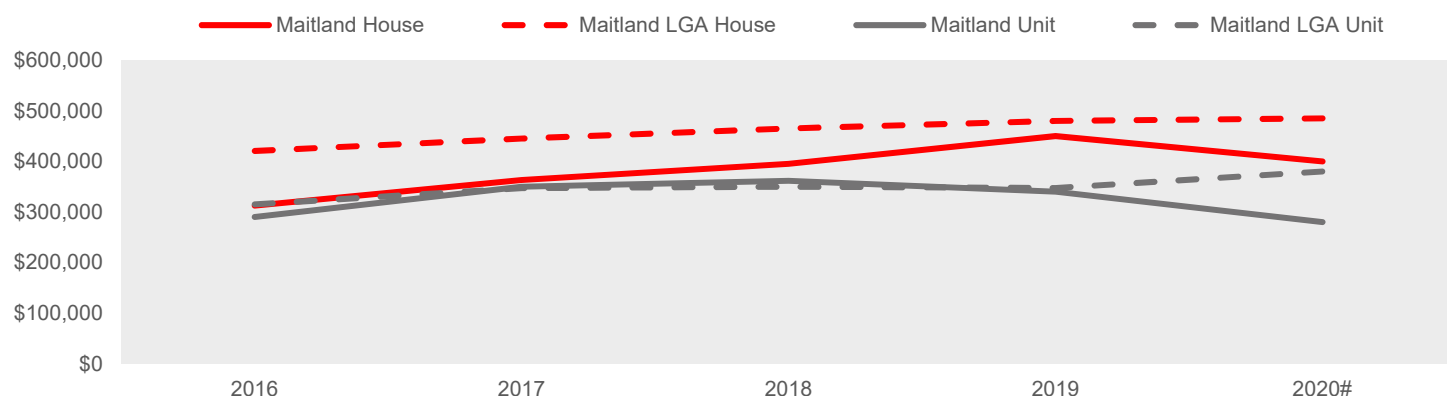


Average vendor discounts between Q2 2019 and Q2 2020 have tightened for both property types, to -3.7% for houses and -3.6% for units. Market conditions in the Hunter Valley* provide unique opportunities as sellers can now achieve a final sale price closer to first list price, yet buyers can still benefit from a discount. Now is the time to transact in Hunter Valley*.

The suburb of Maitland has historically provided greater value than the wider Maitland Local Government Area (LGA) particularly in its median house price. This said, 2020# has seen a cooling in prices in Maitland, making it even more affordable in relative to the Maitland LGA.

The dominant proportion of homes sold in the Hunter Valley* across 2020^ were in the premium price bracket of above \$550,000 (29.1%). Units recorded a dominant mid-price point of \$350,000-\$400,000 (31.1%). This suggest there is a property for every budget.

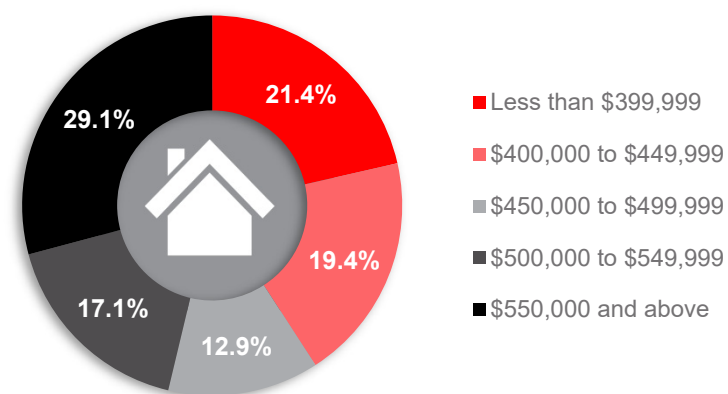
MARKET COMPARISON



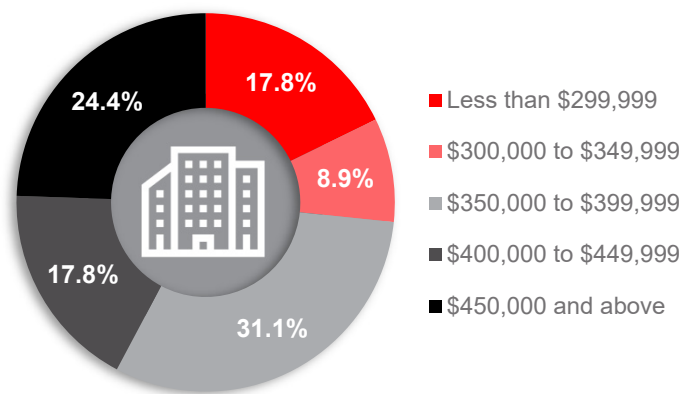
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Maitland.

PRICE BREAKDOWN 2020^

HOUSES SOLD



UNITS SOLD

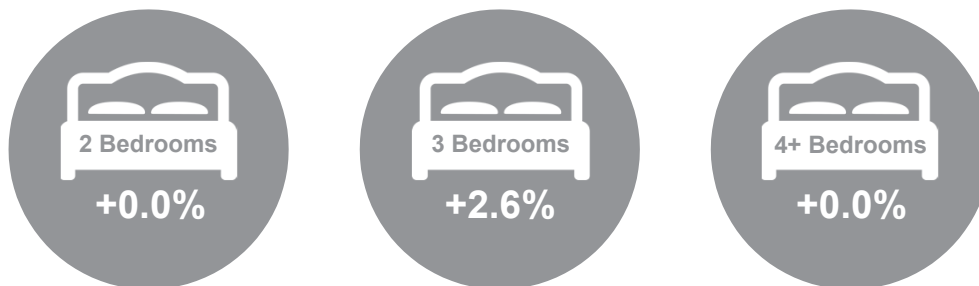


RENTAL GROWTH 2020*

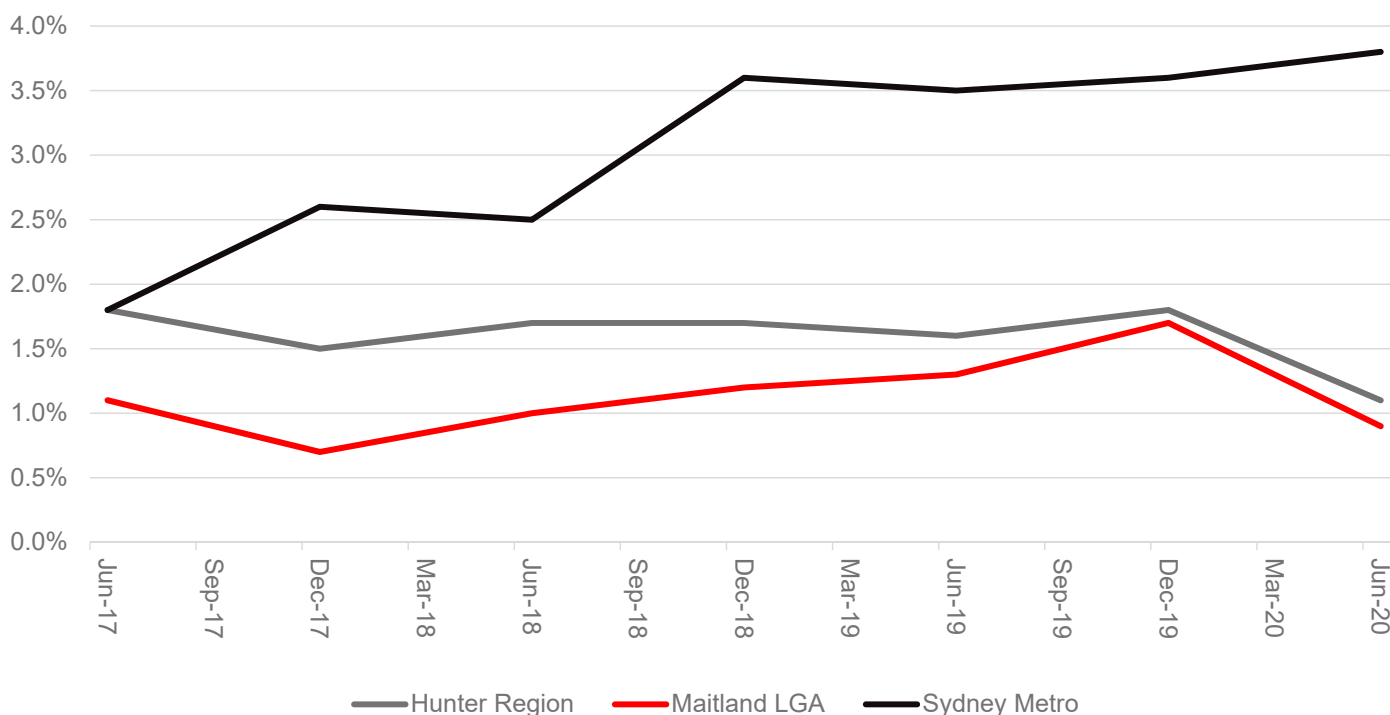
Over the past 12 months, house rental yields in the Hunter Region increased strongly, to reach 4.2% in June 2020. This suggests the house rental market is in a healthy position, particularly when combined with the 2.7% increase to house rental demand, to 266 rentals in the 12 months to Q2 2020.

3 bedroom houses have provided investors with +2.6% rental growth annually, achieving a median rent of \$390 per week.

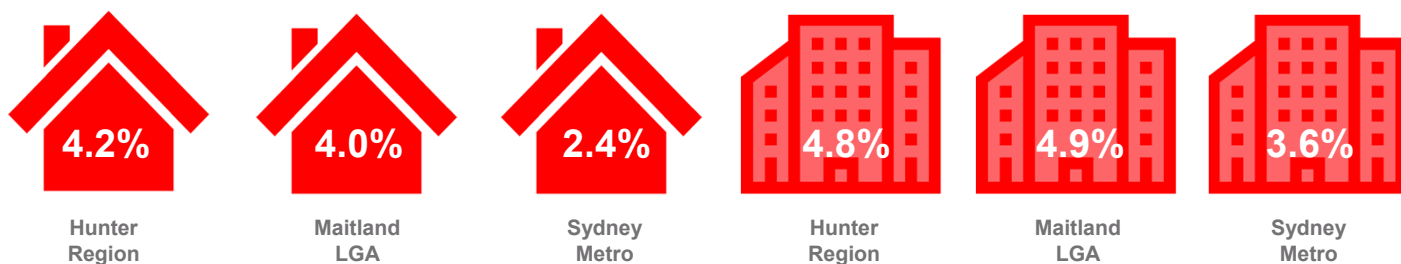
The Hunter Region recorded a vacancy rate of 1.1% in June 2020. This represents a continues declining trend since June 2017, and an even sharper decline since December 2019 – despite COVID-19 rental market expectations. Vacancy rate in the Hunter Region is positioned well below Sydney Metro's 3.8% average and travelling in an opposite direction. This confirms there is a healthy rental market and a conducive investment environment in the Hunter Region.



RENTAL VACANCY RATES 2020

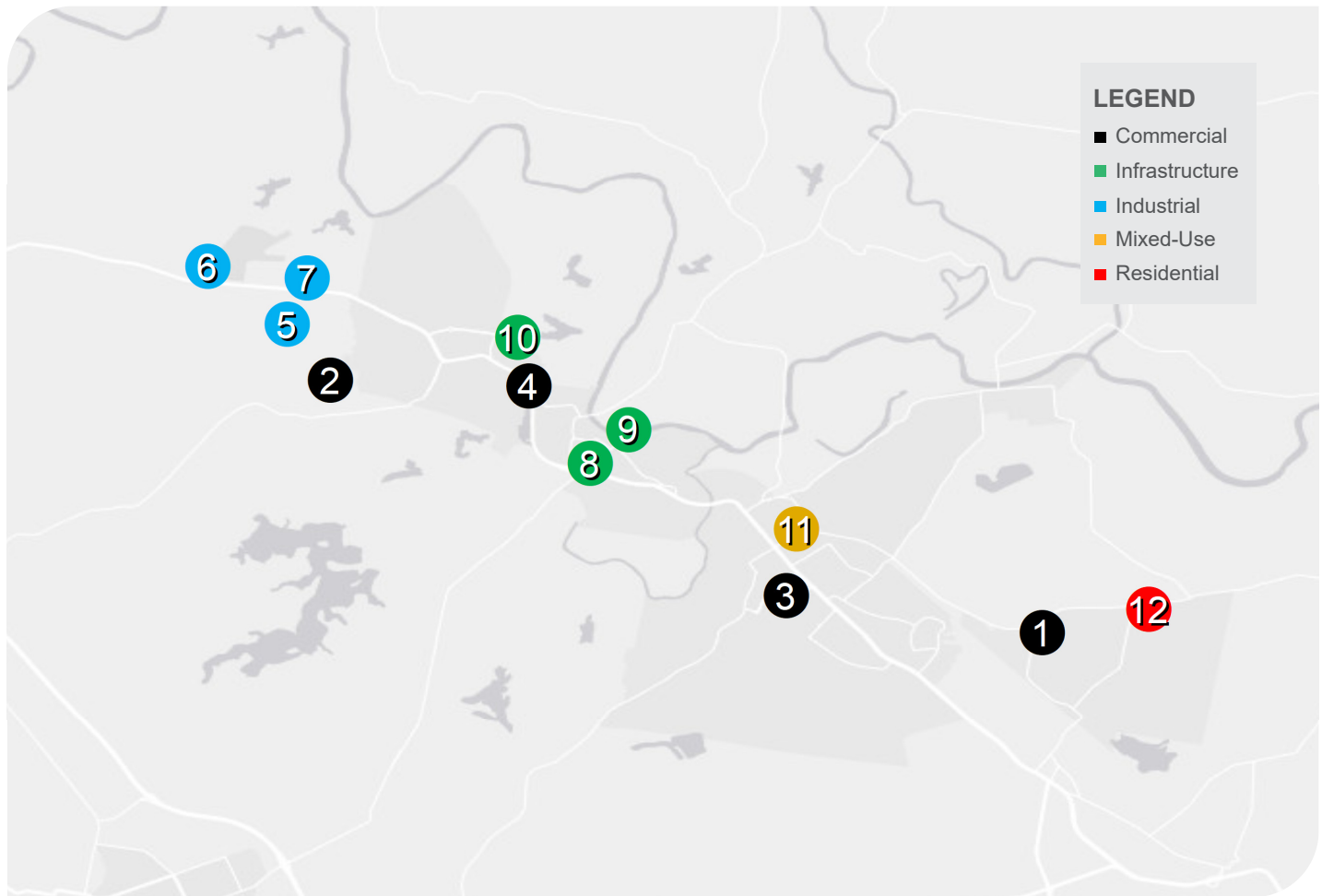


RENTAL YIELD 2020^



*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 1H 2019 (01/01/2019 – 30/06/2019) and 1H 2020 (01/01/2020 – 30/06/2020) house median rent figures. ^Rental yields shown are as reported at June 2020.
Source: APM Pricer, SQM Research. © Copyright PRD 2020.

PROJECT DEVELOPMENT MAP 2ND HALF 2020*



Location	Project**	Type	Estimated Value***	Commence Date****
1	Raymond Terrace Retirement Village	Commercial	\$41,398,000	27/09/2020
2	Heritage Parc Retirement Village	Commercial	\$13,972,000	04/10/2020
3	Aldi Stockland Greenhills Shopping Centre	Commercial	\$7,000,000	06/09/2020
4	Hungry Jacks Maitland	Commercial	\$1,250,000	06/08/2020
5	Gardiner Street Industrial Units	Industrial	\$1,226,000	13/11/2020
6	Royal Newcastle Aero Club	Industrial	\$400,000	15/09/2020
7	Sabre Close Industrial Building	Industrial	\$350,000	18/11/2020
8	Maitland Administration Centre	Infrastructure	\$43,000,000	12/10/2020
9	Maitland Administration Centre	Infrastructure	\$10,000,000	16/11/2020
10	Waterworks Road Emergency Services Facility	Infrastructure	\$477,000	18/11/2020
11	George Street Shop Top Housing (1 dwelling)	Mixed-Use	\$806,000	18/09/2020
12	Kingham Circuit Residential Subdivision (21 lots)	Residential	\$1,100,000	05/12/2020

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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