

# Mildura Market Update

## 2<sup>nd</sup> Half 2020



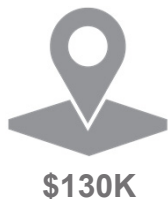
### OVERVIEW

In Q3 2020, the Mildura\* area recorded a median house price of \$330,000 and a vacant land median price of \$130,000. This represents annual (Q3 2019 – Q3 2020) median price growth of 6.2% for house and 6.6% for vacant land. Between Q3 2019 – Q3 2020 sales declined by -26.5% for houses (to 119 sales), however vacant land sales increased by 32.3% (to 41 sales). Positive median price growth amidst COVID-19 indicate a resilient market. Now is an opportune time for first home buyers to enter the market and build their dream home, through accessing multiple Federal and State government incentives.

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

### MARKET CONDITIONS

#### SALES MEDIAN PRICE Q3 2020



#### SALES AVERAGE DAYS ON MARKET Q3 2020



#### RENTAL MEDIAN PRICE Q3 2020

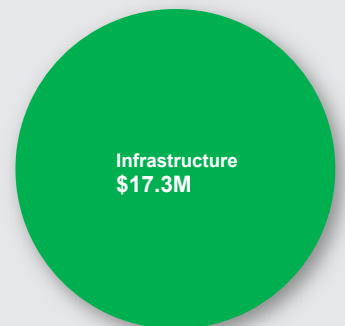


#### RENTAL AVERAGE DAYS ON MARKET Q3 2020



### FUTURE DEVELOPMENTS

The Mildura\* area is set to see approximately **\$17.3M worth of new projects commencing in the 2<sup>nd</sup> half of 2020.**

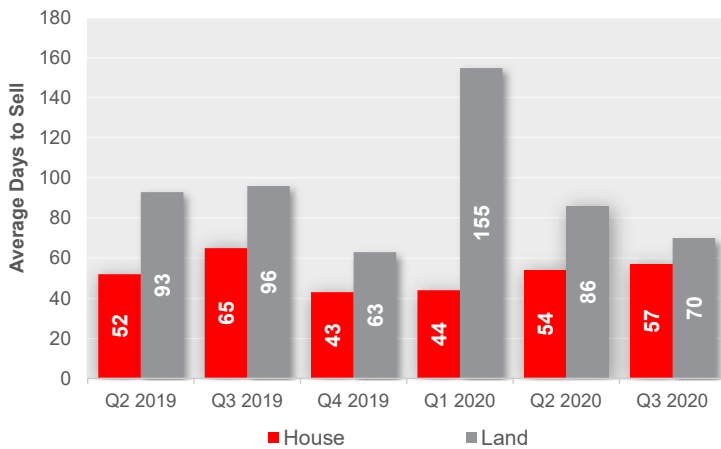


A focus on infrastructure projects is ideal for the Mildura\*, as it signals productivity and economic growth. Infrastructure projects will improve liveability for residents and create employment opportunities in the construction phase. An absence of residential development is a slight concern due to the high volume of vacant land sales in the past 12 months, and current price growth. There also seems to be an undersupply of housing stock, thus residential projects are needed in 2021 to assist in ensuring sustainable price growth.

A total of \$17.3M of Government infrastructure projects is planned for the 2<sup>nd</sup> Half 2020. A main project in 2<sup>nd</sup> half 2020 period is the Mildura Multi-disciplinary Centre (\$10.0M). This project will construct & fit out the Mildura Multi-Disciplinary Centre. Works to include: demolition of the existing buildings & removal of waste. Other notable infrastructure projects include: Calder Highway Roadworks Mildura Bound (\$1.0M), San Mateo Avenue Roadworks (\$500K), Mildura Rural City Council Roadworks (\$400K), and Mildura Marina Bridge (\$350K). Improved services will benefit residents and has the potential of attracting more people into the area.

## AVERAGE DAYS TO SELL\*

The average number of days to sell a property is a useful indicator for buyer activity. A declining trend in average days to sell suggests an increasingly competitive market, while an increasing trend may indicate a slowing in consumer demand.



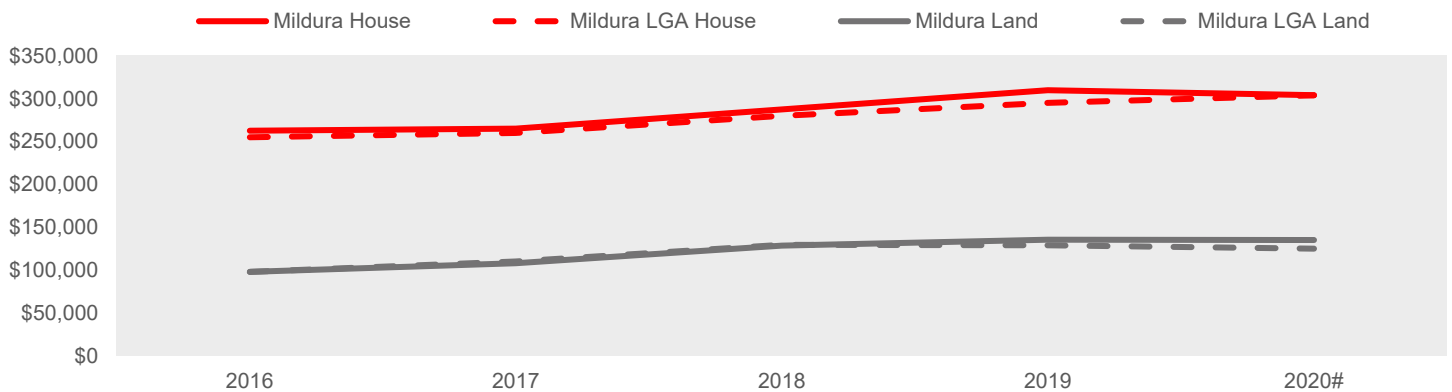
## KEY COMMENTS

The average days to sell a house in Mildura\* has declined over the 12 months to Q3 2020, to 57 days. This indicates buyer demand is still present amidst COVID-19. Buyer activity also increased for vacant land, as average days to sell declined to 70 days in Q3 2020.

The suburb of Mildura has continued to record on par house median prices compared to the wider City of Mildura (LGA). However, in 2020# vacant land prices have strengthened as demand to regional areas is increasing. Vacant land price in the suburb of Mildura is now higher than the wider LGA, meaning first home buyers need to act fast and secure available land.

The dominant proportion of houses sold in Mildura\* across 2020^ were in the highest price bracket of \$400K and above (26.2%). Land sales on the other hand saw high activity within the middle price bracket of \$125K to \$149K (48.1%). This indicates there is a property for every budget in the Mildura\* area.

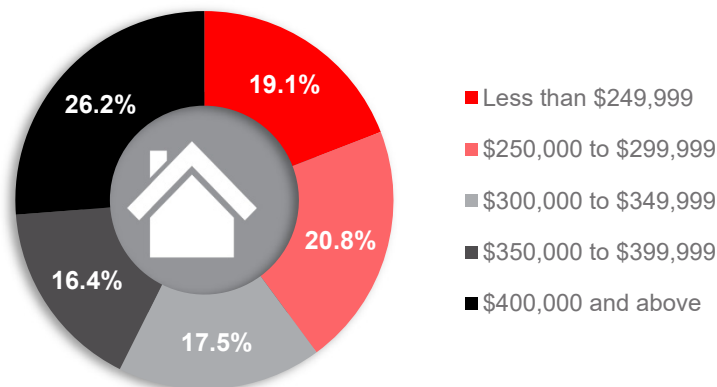
## MARKET COMPARISON



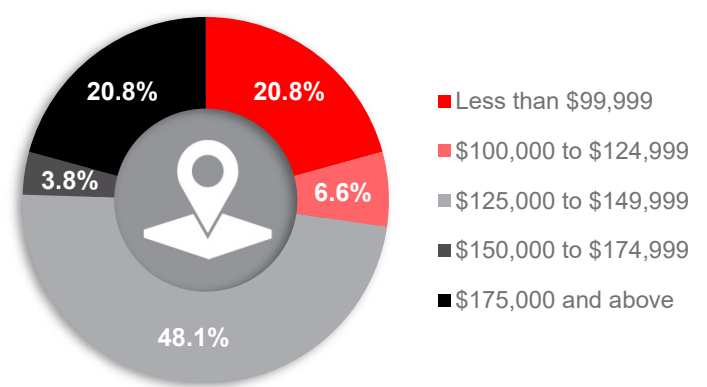
The market comparison graph provides a comparative trend for the median price of houses and vacant land over the past 5 years. The main LGA profiled is chosen based on their proximity to the main suburb analysed, which is Mildura.

## PRICE BREAKDOWN 2020^

### HOUSES SOLD



### LAND SOLD

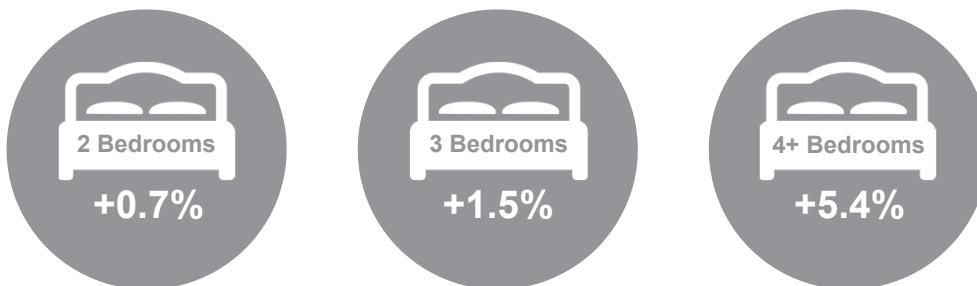


## RENTAL GROWTH 2020€

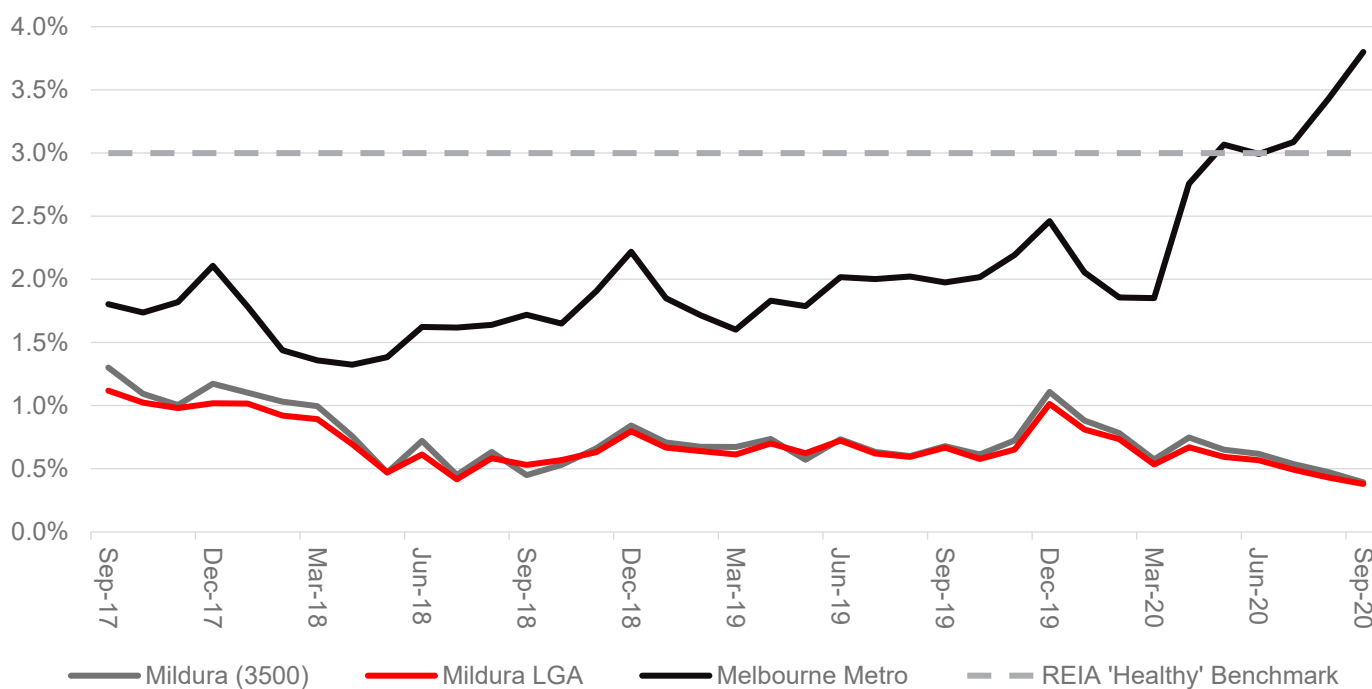
In September 2020, house rental yields in the Mildura\* area were recorded at 5.1%, well above Melbourne Metro (2.6%). In the 12 months to Q3 2020, median house rental price held stable at \$350 per week. Average days on the market for house rental declined by 33.3% (to 16 days). Overall this represents an extremely resilient rental market amidst COVID-19.

4+ bedroom houses have provided investors with +5.4% rental growth annually, with a median rent of \$390 per week.

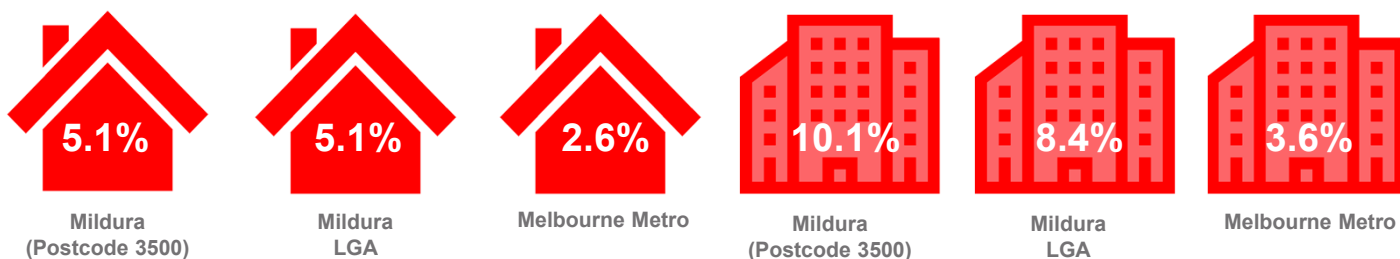
In September 2020, Mildura\* recorded a significantly low vacancy rate of 0.4%, on par with Mildura LGA and sitting well below that of Melbourne Metro (3.8%). Vacancy rates in Mildura\* is now at a record low, well below the Real Estate Institute of Australia's healthy benchmark of 3.0%, and continuing on a declining trend even amidst COVID-19 conditions. This confirms there is an increasingly healthier rental demand and a conducive investment environment in the area.



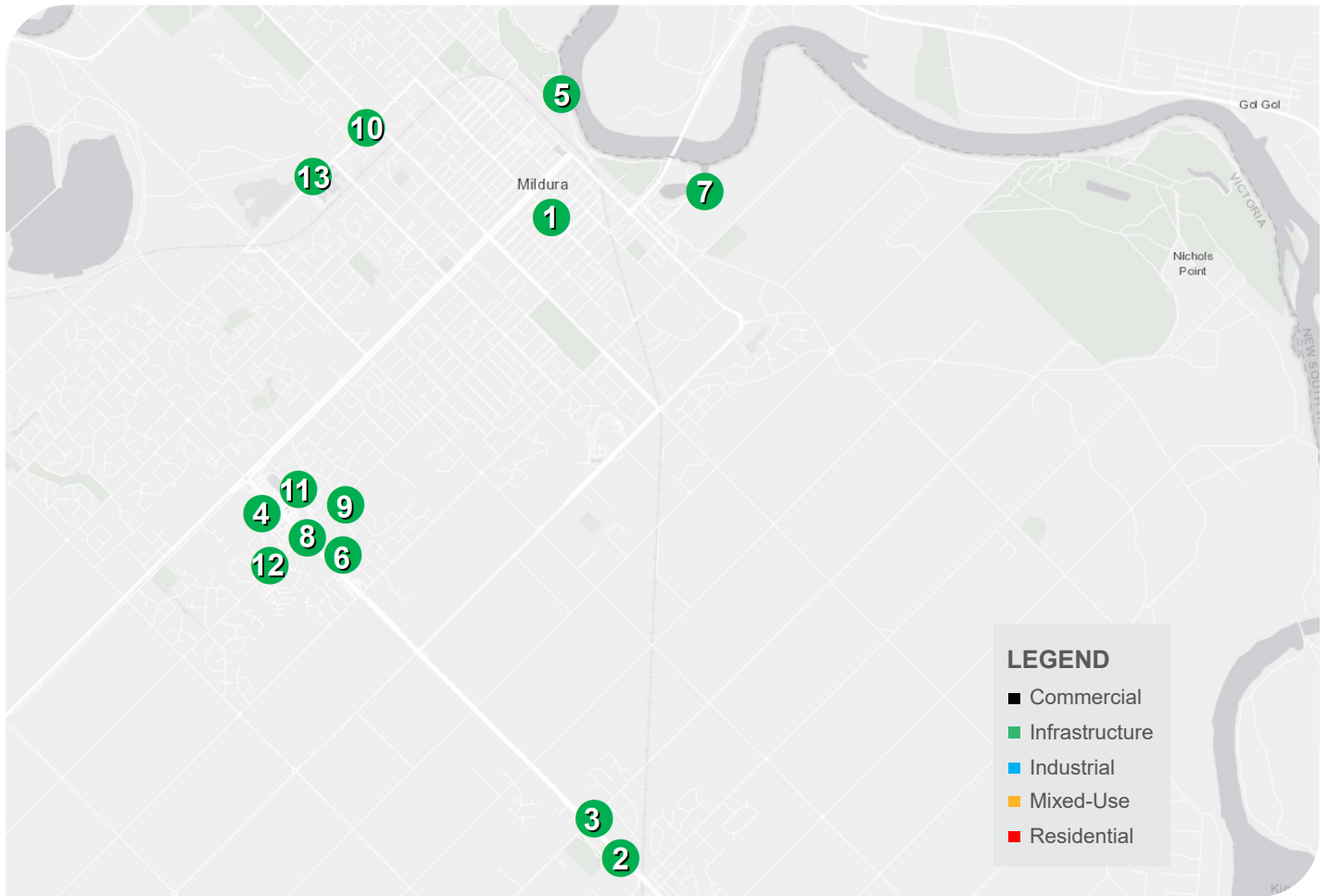
## RENTAL VACANCY RATES 2020



## RENTAL YIELD 2020\$



# PROJECT DEVELOPMENT MAP 2nd HALF 2020<sup>Ⓐ</sup>



Location	Project <sup>Ⓔ</sup>	Type	Estimated Value <sup>Ⓗ</sup>	Commence Date <sup>Ⓗ</sup>
1	Mildura Multi-disciplinary Centre	Infrastructure	\$10,000,000	08/10/2020
2	Roundabout Construction Calder Hwy (Irymple Avenue)	Infrastructure	\$1,795,000	07/09/2020
3	Calder Highway Roadworks (Mildura Bound)	Infrastructure	\$1,000,000	08/11/2020
4	Djpr Mechanical Services	Infrastructure	\$800,000	16/10/2020
5	Hugh King Drive Riverbank	Infrastructure	\$550,000	18/09/2020
6	San Mateo Avenue Roadworks	Infrastructure	\$500,000	18/09/2020
7	Mildura Marina Rock Basin	Infrastructure	\$500,000	07/10/2020
8	Mildura Rural City Council Kerb And Channel Replacement Program	Infrastructure	\$500,000	21/11/2020
9	Mildura Rural City Council Roadworks	Infrastructure	\$400,000	24/12/2020
10	Ontario Avenue Roadworks	Infrastructure	\$350,000	25/11/2020
11	Mildura Marina Bridge	Infrastructure	\$350,000	28/11/2020
12	San Mateo, Hazel Avenues & Windsor Street Roadworks	Infrastructure	\$300,000	15/10/2020
13	Mildura Landfill	Infrastructure	\$250,000	18/08/2020

## 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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# REFERENCES

\*Mildura market data and key indicators encapsulates aggregate property market conditions within the suburb of Mildura.

\*\* Estimated values are based on construction value provided by the relevant data authority and does not reflect commercial and/or re-sale value.

# 2020 encapsulates sales transactions for 2020 (01/01/2020 – 30/09/2020) only.

^ 2020 encapsulates sales transactions for 2020 (01/01/2020 – 30/09/2020) only.

€ Annual rental growth is a comparison between 2019 (01/01/2019 – 30/06/2019) and 2020 (01/01/2020 – 30/09/2020) house median rent figures.

¥ Mildura market data encapsulates aggregate property conditions within Mildura (3500).

§ Rental yields shown are as reported at September 2020.

⌘ 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 Mildura.

μ Estimated value is the value of construction costs provided by relevant data authority, it does not reflect the project's sale/commercial value.

ψ Commencement date quoted for each project is an approximate only, as provided by the relevant data authority, PRD does not hold any liability to the exact date.

Source: APM Pricerfinder, Cordell Connect database, SQM Research, ESRI ARCGIS.

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