



Hunter Valley Market Update 2nd Half 2021



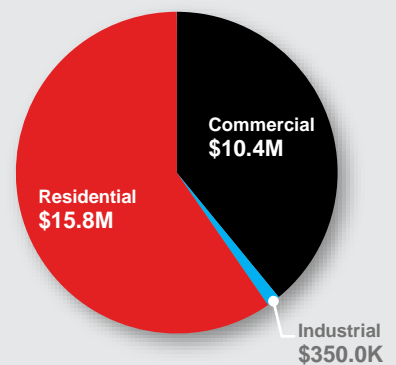
OVERVIEW

In Q2 2021, Hunter Valley* recorded a median house price of \$597,500, and a median unit price of \$430,000. This represents annual (Q2 2020 – Q2 2021) median price growth of 27.1% for houses and 32.3% for units. Between Q2 2020 – Q2 2021 total sales in both markets increased, by 61.5% for houses (to 273 sales) and by 18.5% for units (to 32 sales). Growth in both median price and number of sales is a clear indication of real returns in capital investment and increased consumer confidence. This would be encouraging to vendors who are looking to sell as demand is exceeding supply levels.

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

FUTURE DEVELOPMENTS

Hunter Valley* is set to see approximately **\$26.5M** worth of new projects commencing in the 2nd half of 2021.



Commercial projects stimulate economic growth through local job creation, which should have a positive spill-over impact on the real estate market. An increase the supply of residential stock is ideal, to answer current high demand and ensure sustainable price growth

MARKET CONDITIONS

SALES MEDIAN PRICE Q2 2021



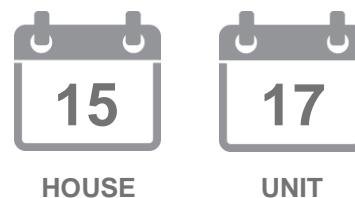
SALES AVERAGE DAYS ON MARKET Q2 2021



RENTAL MEDIAN PRICE Q2 2021



RENTAL AVERAGE DAYS ON MARKET Q2 2021



A main commercial project over the 2nd half of 2021 is the two storey ALDI Store Green Hills project (\$7.4M). This will see new shops, arcades and a supermarket; which will provide residents with new and improved amenities. The Lorikeet St Dwellings project (\$4.5M) is set to add 16 dwellings to the area whilst the LAHC East Maitland development will add a 3 storey apartment with 18 units (\$5.6M). New ready-to-sell housing stock is needed in the area, to meet the demand of the market.

Other residential developments are: Aberglasslyn Road units (15 units), Ruby Road Villas (10 villas), and Newcastle Street Viilas (7 villas).



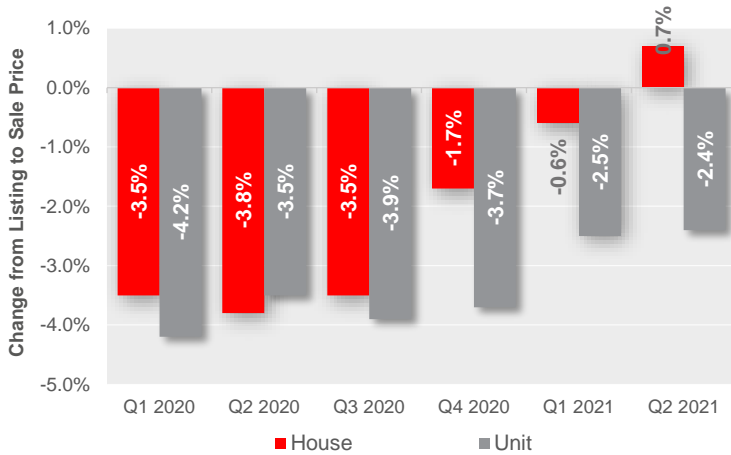
AVERAGE VENDOR DISCOUNT* KEY COMMENTS

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.

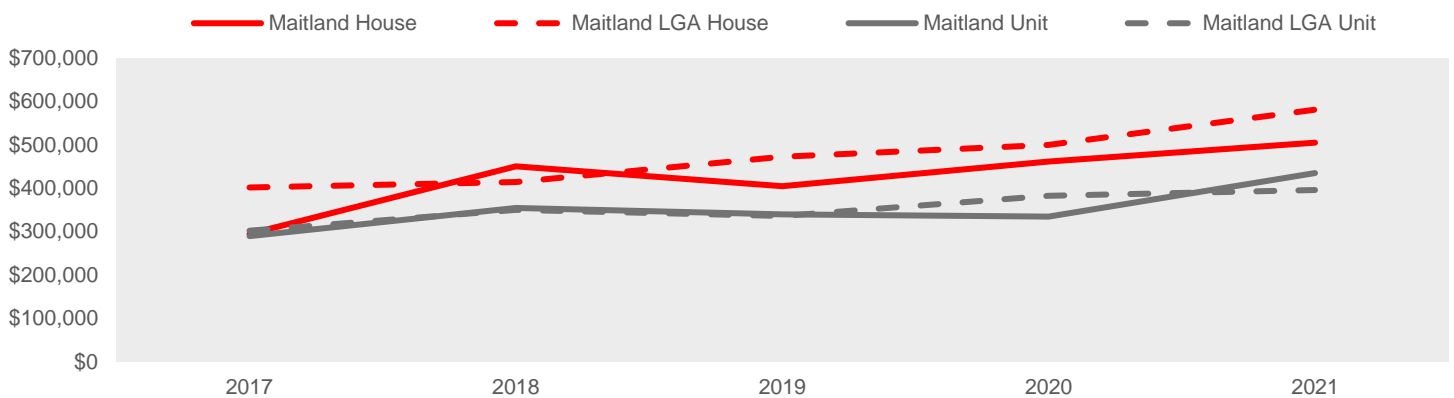
Average vendor discounts between Q2 2020 and Q2 2021 have swung to premium of +0.7% for houses and tightened to -2.4% for units. Hunter Valley* offers unique opportunities, as unit sellers can achieve a final sale price closer to their first listed price, yet buyers can still benefit from a discount. Now is the time to transact.

The suburb of Maitland has historically proved more affordable than the wider Maitland Local Government Area (LGA) for median house prices and on par for units. This continues to be the case in 2021 for median house prices, however, units are now less affordable.

The dominant proportion of homes sold in the Hunter Valley* across 2021^ were in the middle-range price bracket of \$450,000-\$550,000 (29.6%). Similarly units recorded a dominant middle-range price bracket, of \$350,000-\$400,000 (26.1%). This reveals that there is affordably priced stock available in the Hunter Valley*, which is good news for first home buyers.



MARKET COMPARISON

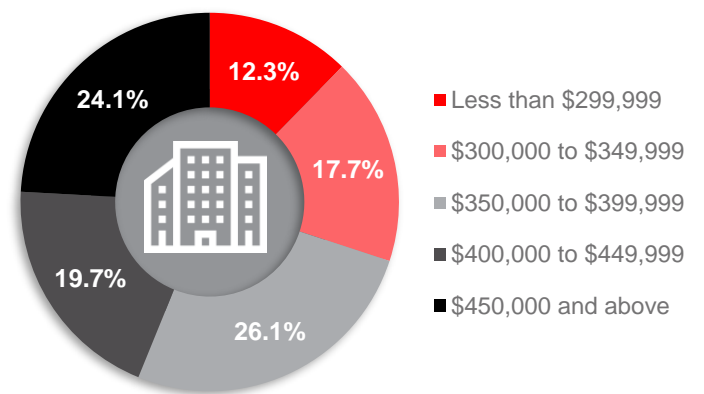
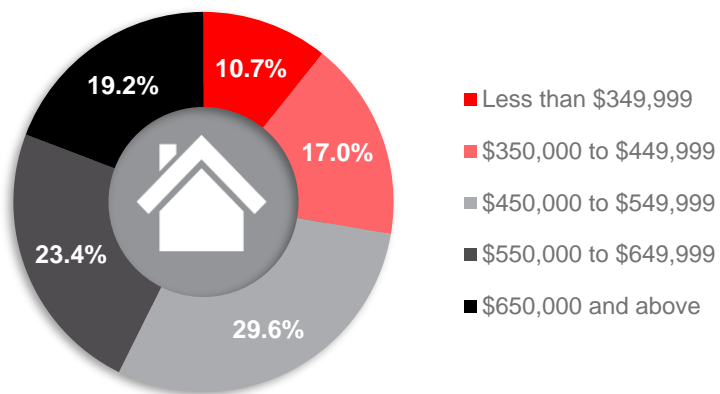


The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled are chosen based on their proximity to the main suburb analysed, which is Maitland.

PRICE BREAKDOWN 2021^

HOUSES SOLD

UNITS SOLD



RENTAL GROWTH 2021€

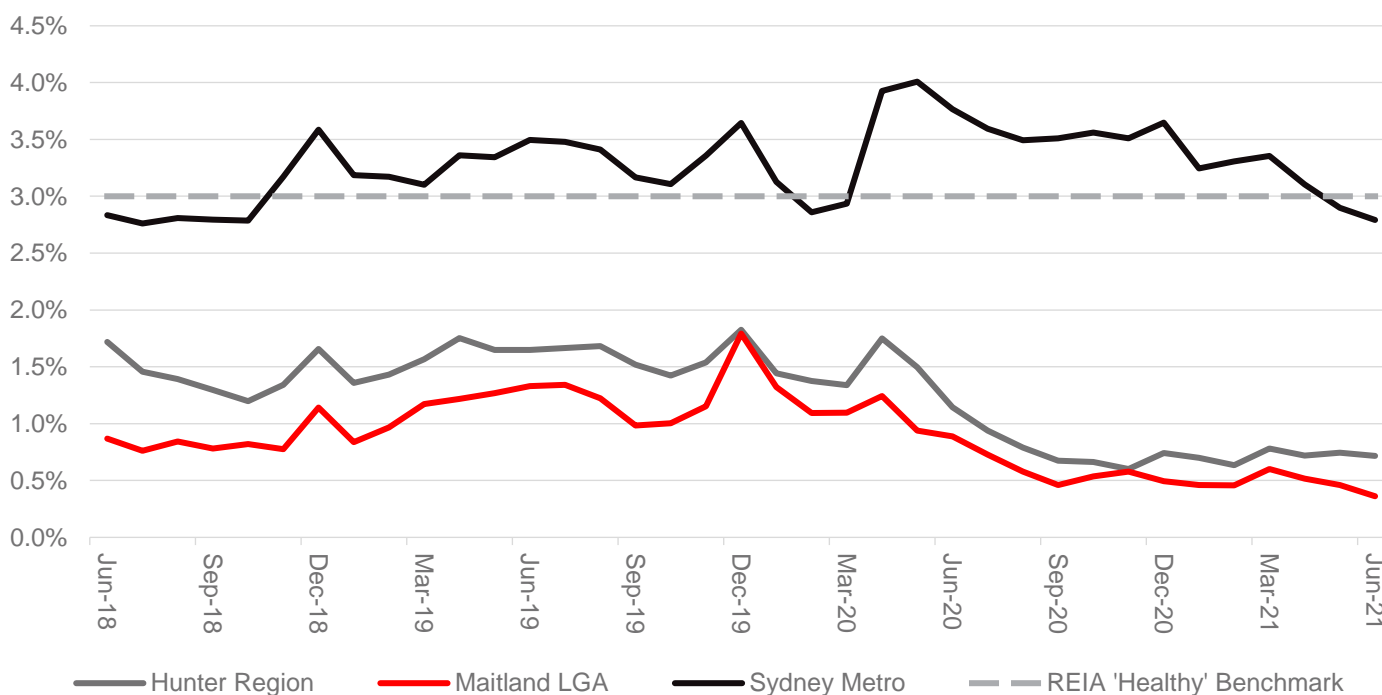
In June 2021, house rental yields in the Hunter Region* were recorded at 3.8%. In the 12 months to Q2 2021, the median house rental price increased to reach \$480 per week, while average days on the market declined by -16.7% (to 15 days). Overall this indicates that the Hunter Region has remained a strong rental market throughout COVID-19.

3 bedroom houses have provided investors with +11.4% rental growth annually€, with a median rent of \$440 per week.

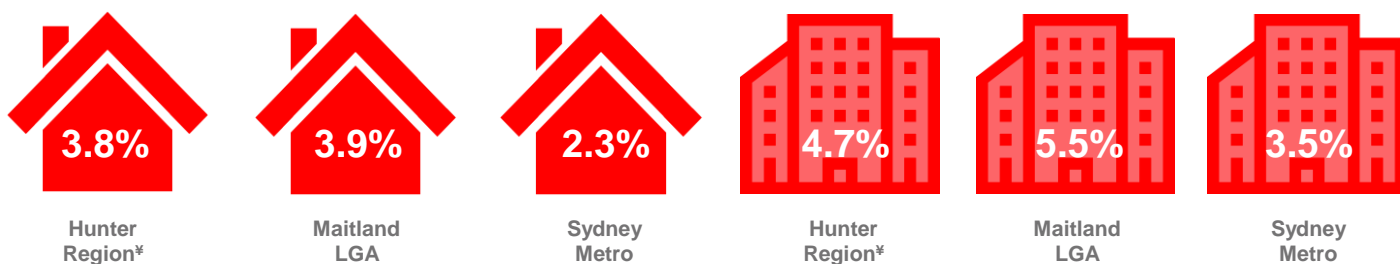
Also in June 2021, the Hunter Region recorded a vacancy rate of 0.7%, well below that of Sydney Metro (2.8%) but slightly above Maitland LGA's very low rate (0.4%). Current vacancy rates in the Hunter Region are among the lowest in the past three years and have remained well below the Real Estate Institute of Australia's healthy benchmark of 3.0%, even with COVID-19. There is strong rental demand, thus investors can be confident of a conducive investment environment.



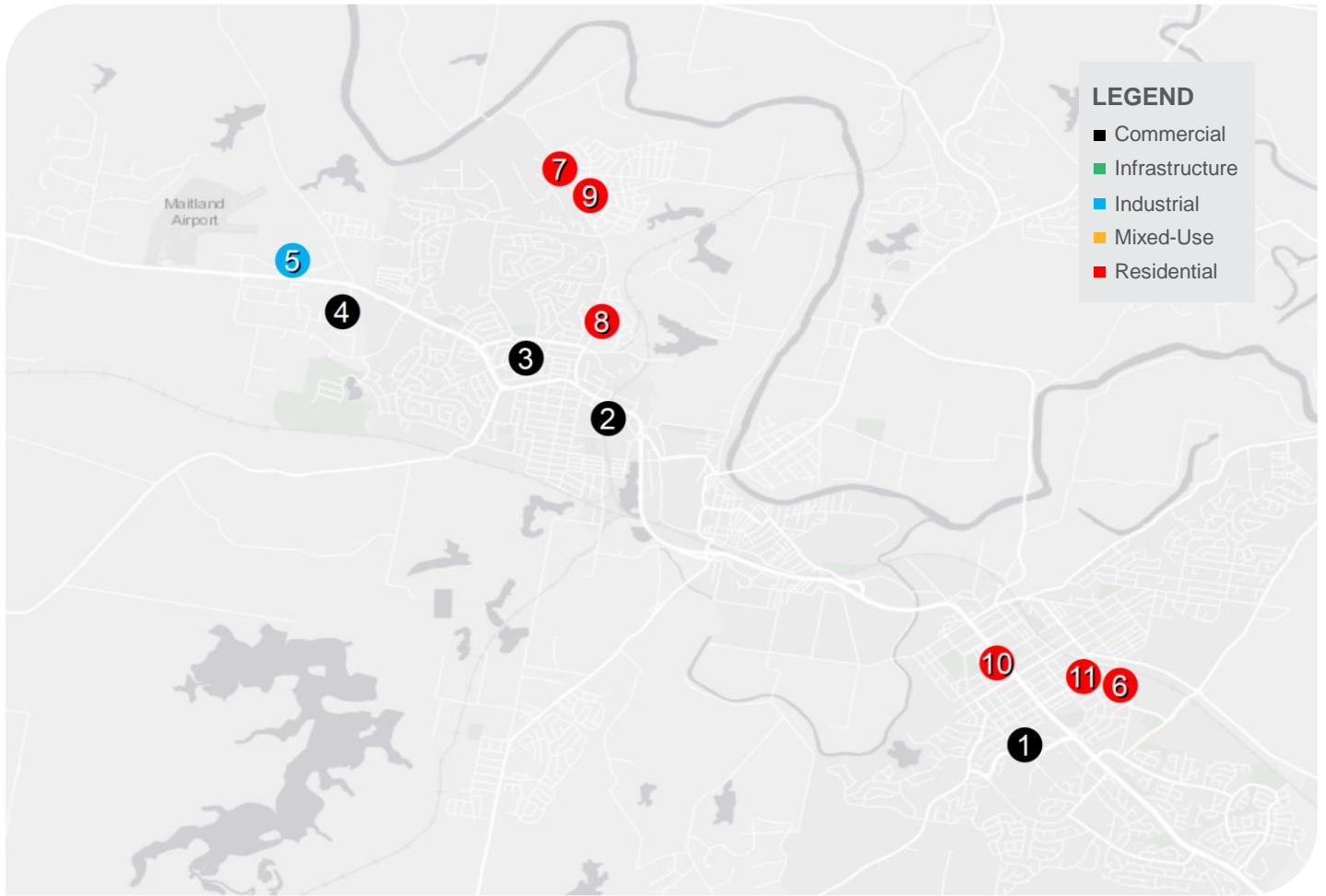
RENTAL VACANCY RATES 2021



RENTAL YIELD 2021§



TOP DEVELOPMENTS MAP 2ND HALF 2021[▲]



Location	Project [£]	Type	Estimated Value [¥]	Commence Date ^ψ
1	Aldi Store Green Hills	Commercial	\$7,399,000	06/11/2021
2	Johnson Street Light Industrial Units	Commercial	\$1,858,000	06/11/2021
3	Fairview Street Boarding House	Commercial	\$800,000	19/11/2021
4	Shipleigh Drive Commercial Premises	Commercial	\$300,000	08/10/2021
5	Sabre Close Industrial Building	Industrial	\$350,000	06/12/2021
6	LAHC East Maitland (18 Units)	Residential	\$5,650,000	18/09/2021
7	Lorikeet St Dwellings (16 Dwellings)	Residential	\$4,500,000	01/12/2021
8	Ruby Road Villas (10 Villas)	Residential	\$1,878,000	20/10/2021
9	Aberglasslyn Road Units (15 Units)	Residential	\$1,800,000	15/10/2021
10	Newcastle Street Villas (7 Villas)	Residential	\$1,259,000	14/10/2021
11	Skilton Avenue Dwellings (5 Dwellings)	Residential	\$714,000	04/08/2021

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

* Hunter Valley market data and key indicators encapsulates aggregate property market conditions within the suburbs of 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.

2021 encapsulates sales transactions for 1H 2021 (01/01/2021 – 30/06/2021).

^ 2021 encapsulates sales transactions for 1H 2021 (01/01/2021 – 30/06/2021).

€ Annual rental growth is a comparison between 1H 2020 (01/01/2020 – 30/06/2020) and 1H 2021 (01/01/2021 – 30/06/2021) house median rent figures.

¥ Maitland LGA market data encapsulates aggregate property conditions within the postcodes of 2320, 2321, 2322, and 2323.

§ Rental yields shown are as reported as of June 2021.

⌘ 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 suburbs of Aberglasslyn, Ashtonfield, East Maitland, Maitland, Rutherford, and Thornton.

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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