



The Hills Shire Council Market Update 2nd Half 2021



OVERVIEW

In Q2 2021, the Hills Shire Council* recorded a median house price of \$1,633,000, and a median unit price of \$815,000. This represents annual (Q2 2020-Q2 2021) median price growth of 32.2% for houses and 2.6% for units. Between Q2 2020-Q2 2021 total sales increased, by 39.2% for houses (to 802 sales) and by 95.3% for units (to 252 sales). Positive growth in both sales and median price indicates high demand and real returns on capital investment. Now is an ideal opportunity for owner occupiers to benefit, particularly home owners as planned new stand-alone housing stock supply is low.

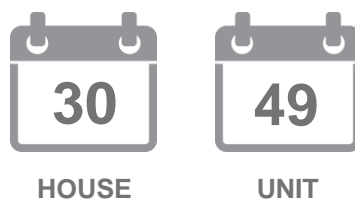
	CHANGE FROM LAST	YEAR	HALF YEAR
	House Sales	↑	↓
	House Median Price	↑	↑
	House Rental Price	↑	↑
	Unit Sales	↑	↑
	Unit Median Price	↑	↓
	Unit Rental Price	↑	↓

MARKET CONDITIONS

SALES MEDIAN PRICE Q2 2021



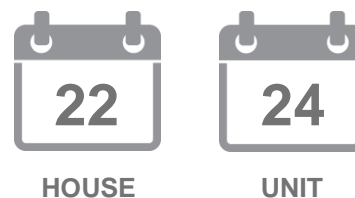
SALES AVERAGE DAYS ON MARKET Q2 2021



RENTAL MEDIAN PRICE Q2 2021

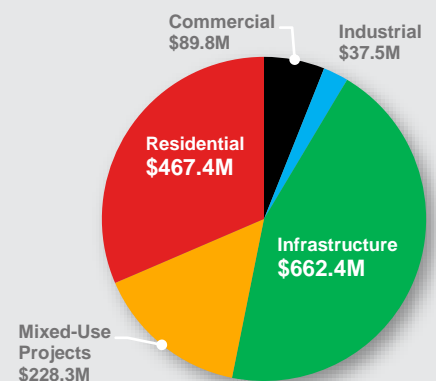


RENTAL AVERAGE DAYS ON MARKET Q2 2021



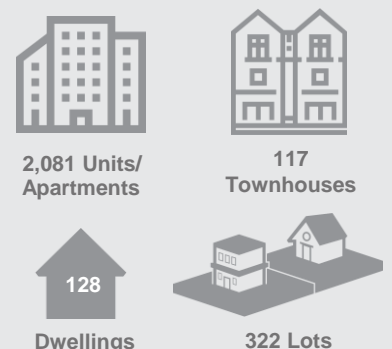
FUTURE DEVELOPMENTS

The Hills Shire Council* is set to see approximately **\$1.5B** worth of new projects commencing in the 2nd half of 2021.



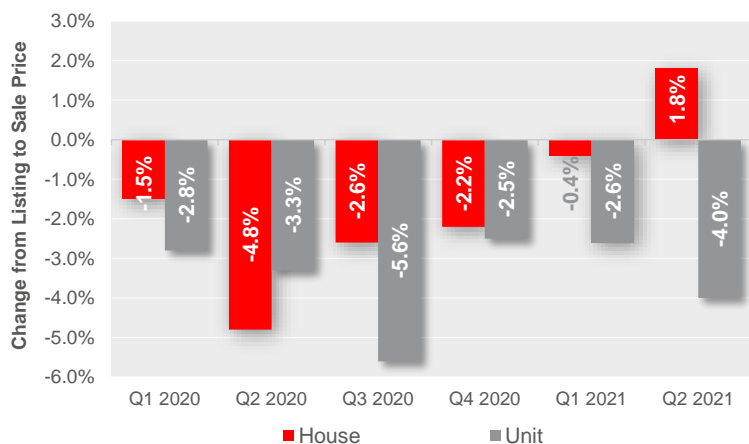
The combination of these projects will create essential residential supply and new infrastructure. This will stimulate economic growth, which will have a positive spill-over impact on the real estate market.

A main infrastructure project for the 2nd half of 2021 is the Tallawong Station Precinct South (\$332.4M), approved by the New South Wales Government. This project will create 1,100 dwellings and 9,000sqm of space for commercial, retail, and community purposes. Another key infrastructure is the construction of the Rouse Hill Hospital (\$300.0M). Key residential projects include: Terry Road Apartments (\$99.5M, 311 apartments), Windsor Road Dwellings & Residential subdivision (33 dwellings and lots) and Hillview Road Townhouses (\$32.5M, 110 townhouses).



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.

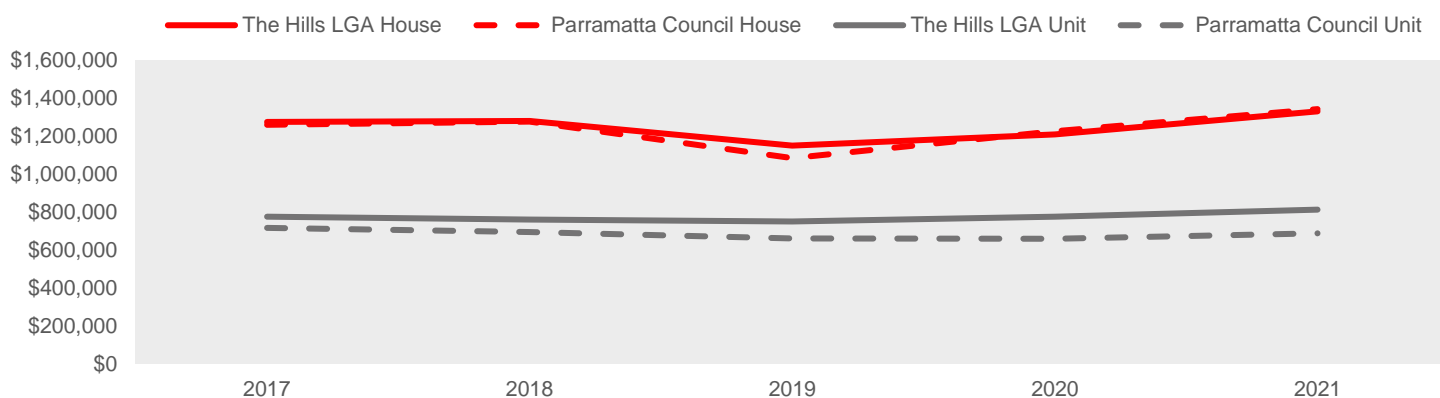


Average vendor discounts between Q2 2020 and Q2 2021 have swung to a premium of +1.8% for houses and widened to -4.0% for units. Market conditions in the Hills Shire Council* are unique in that house sellers can now benefit from a premium on their initial listed price. However, unit buyers can benefit from a discount.

The Hills Shire Council has typically performed on par with its neighbouring Parramatta Council for median house prices and outperformed them for medium unit prices. This continued to be the case across 2021.

The dominant proportion of homes and units sold in the Hills Shire* across 2021^ were in the premium-price bracket, of above \$1,900,000 (28.2%) for houses and above \$950,000 (31.2%) for units. Affordable stock still exists in both markets, more so for houses. However, with a swing to average vendor premiums for houses, buyers looking for affordable options need to act fast and secure their preferred stock.

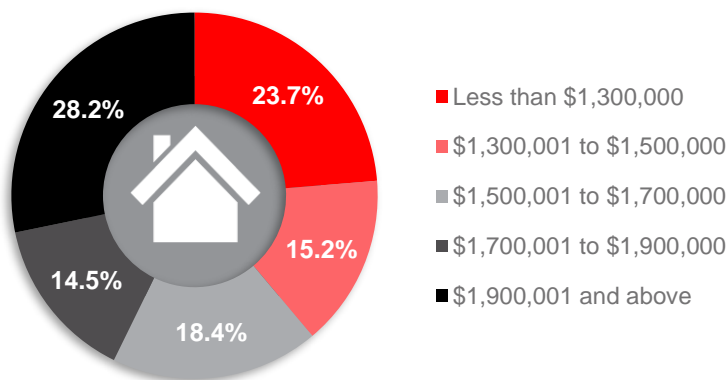
MARKET COMPARISON



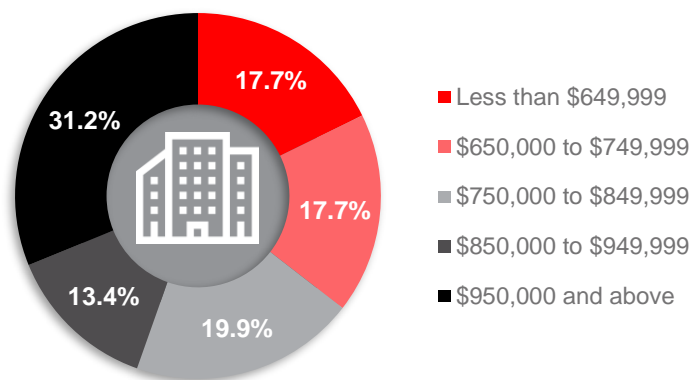
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. Parramatta Council LGA was profiled and chosen as a comparison based on its proximity to the Hills Shire Council LGA.

PRICE BREAKDOWN 2021^

HOUSES SOLD



UNITS SOLD



RENTAL GROWTH 2021€

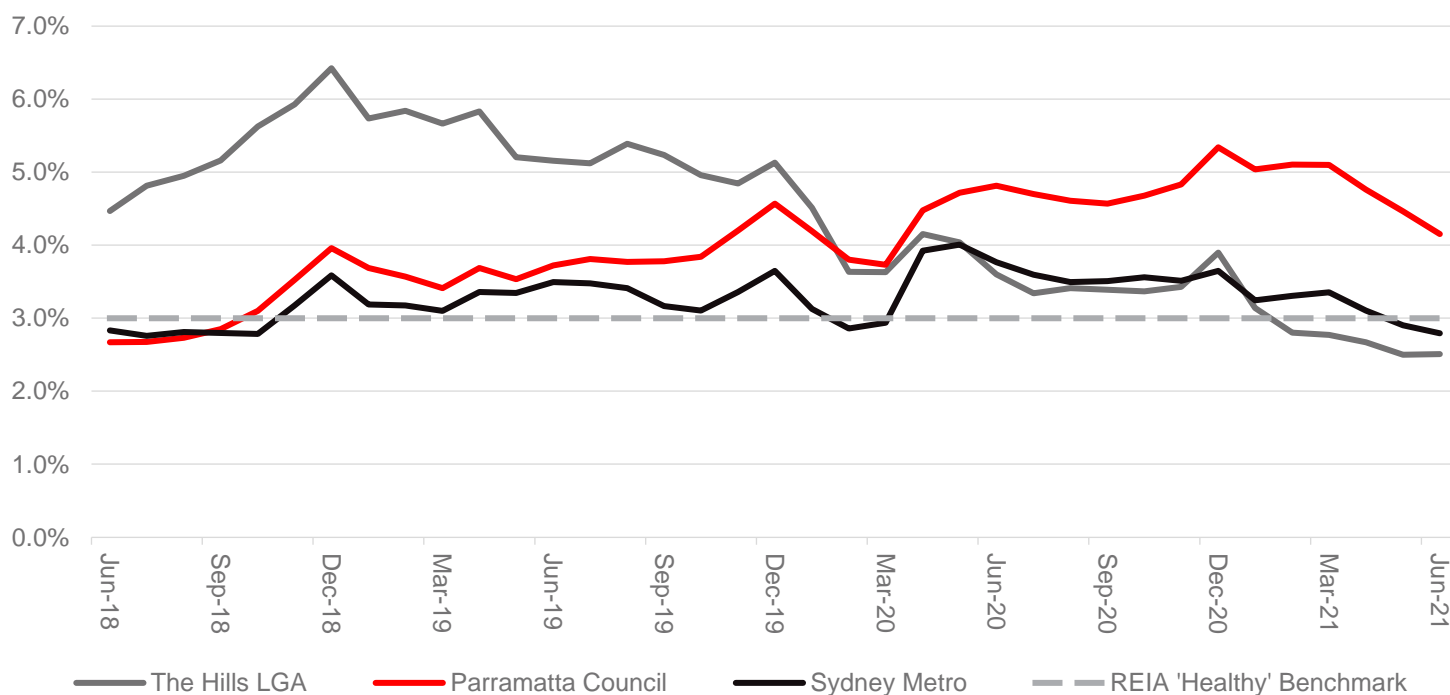
In June 2021, house rental yields in the Hills Shire Council[‡] were recorded at 2.5%. In the 12 months to Q2 2021, the median house rental price increased by 12.1% to reach \$650 per week, while average days on the market declined by -18.5% (to 22 days). Overall this suggests the Hills Shire has remained a strong and resilient rental market throughout COVID-19.

3 bedroom houses have provided investors with +10.0% rental growth annually[€], with a median rent of \$550 per week.

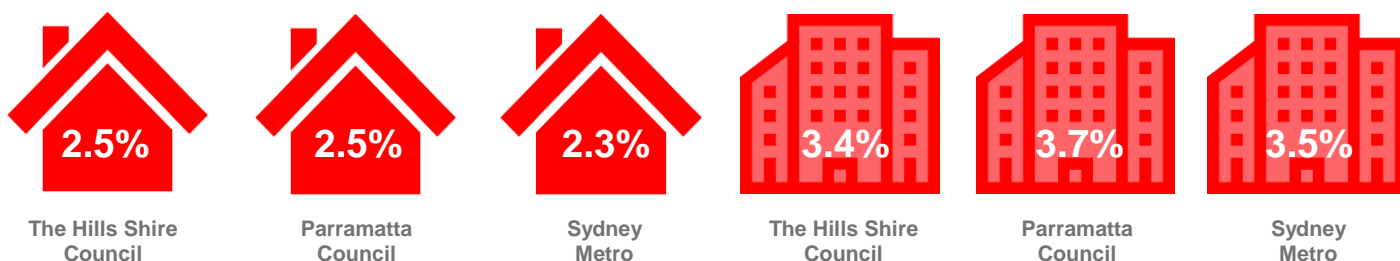
Also in June 2021, the Hills Shire[‡] recorded a vacancy rate of 2.5%, below Parramatta Council (4.2%) and Sydney Metro (2.8%). Vacancy rates in the Hills Shire[‡] are below the Real Estate Institute of Australia's healthy benchmark of 3.0%. Most importantly, it has been trending downwards and are at their lowest point in the past 3 years. Outperforming the neighbouring council of Parramatta, investors can be increasingly confident of a conducive investment environment in the Hills Shire[‡].



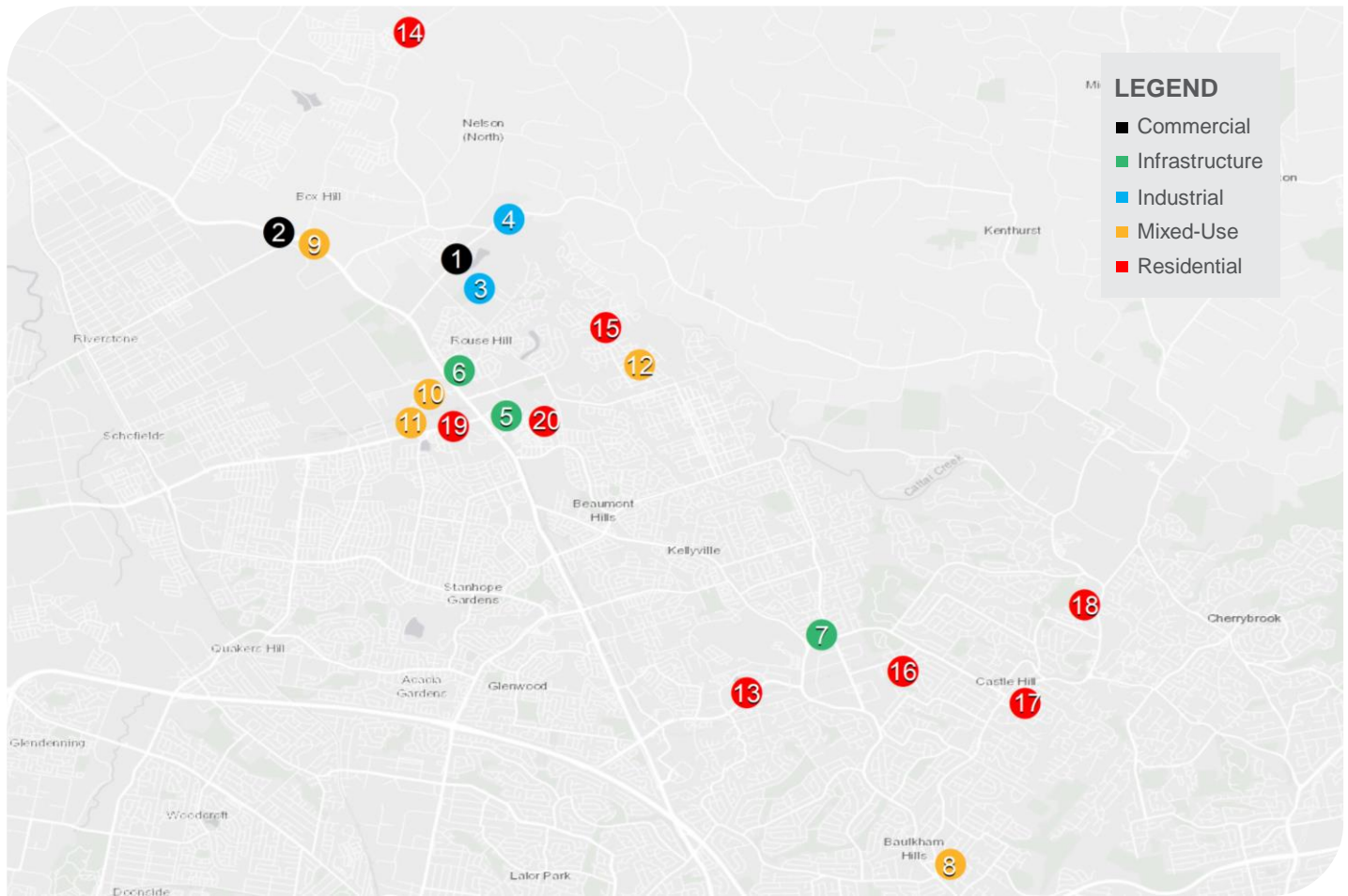
RENTAL VACANCY RATES 2021



RENTAL YIELD 2021§



TOP DEVELOPMENTS MAP 2ND HALF 2021^A



Location	Project [£]	Type	Estimated Value [¥]	Commence Date ^ψ
1	Annangrove Road Commercial Development	Commercial	\$25,000,000	12/11/2021
2	Carmel Village	Commercial	\$38,350,000	14/10/2021
3	Annangrove Road Industrial Development	Industrial	\$17,500,000	25/10/2021
4	Annangrove Road Industrial & Commercial Development	Industrial	\$19,793,000	15/12/2021
5	Tallawong Village - Tallawong Station Precinct South	Infrastructure	\$332,438,000	04/10/2021
6	Rouse Hill Hospital	Infrastructure	\$300,000,000	28/07/2021
7	Museums Discovery Centre - Museum Of Applied Arts And Sciences	Infrastructure	\$30,000,000	30/08/2021
8	Old Northern Road Mixed Use Development (44 Apartments)	Mixed-use	\$23,573,000	02/12/2021
9	Alan Street Mixed Use Development (54 Apartments)	Mixed-use	\$14,000,000	10/12/2021
10	Terry Road Mixed Use Development (310 Apartments)	Mixed-use	\$53,607,000	09/10/2021
11	Terry Road Apartments - Babylon (332 Apartments)	Mixed-use	\$95,097,000	22/09/2021
12	Barry Road Mixed Use Development (145 Apartments)	Mixed-use	\$42,044,000	14/08/2021
13	Windsor Road Dwellings & Residential Subdivision (33 Dwellings, 33 Lots)	Residential	\$17,231,000	08/07/2021
14	Gables & Janpieter Roads Units (110 Apartments)	Residential	\$33,000,000	23/08/2021
15	Hillview Road Townhouses (110 Townhouses)	Residential	\$32,470,000	17/12/2021
16	Ashford & Partridge Avenues Apartments - The Ashford (272 Apartments)	Residential	\$86,331,000	13/12/2021
17	Fishburn Crescent Apartments – Chateau (296 Apartments)	Residential	\$89,951,000	20/09/2021
18	Old Northern Road Dwellings (38 Dwellings)	Residential	\$17,950,000	25/07/2021
19	Terry Road Apartments Collection - Rouse Hill (311 Apartments)	Residential	\$99,575,000	20/12/2021
20	Rouse Hill Town Centre Northern Expansion Stage 2 (143 Apartments)	Residential	\$36,000,000	24/11/2021

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

* The Hill Shire Council market data and key indicators encapsulates aggregate property market conditions within the postcodes 2125, 2151, 2153, 2154, 2155, 2156, 2157, 2158, 2756, 2765, 2775.

** 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.

¥ The Hills Shire Council market data encapsulates aggregate property conditions within the postcode of 2125, 2151, 2153, 2154, 2155, 2156, 2157, 2158, 2756, 2765, 2775.

§ 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 LGA of the Hills Shire Council.

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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