



Morrisset Market Update 2nd Half 2021



OVERVIEW

In Q3 2021, Morrisset* recorded a median house price of \$718,000, and a median unit price of \$591,000. This represents annual (Q3 2020 – Q3 2021) median price growth of 30.8% for houses and 35.9% for units. Between Q3 2020 – Q3 2021 total sales picked up, by 21.4% for houses (to 176 sales) and by 60.0% for units (to 8 sales). This represents real returns on capital investment in both house and unit markets, as strong median price growth is alongside increased sales volume. Houses in particular are highly demanded, thus now an ideal time for owners and downsizers to transact in Morrisset*.

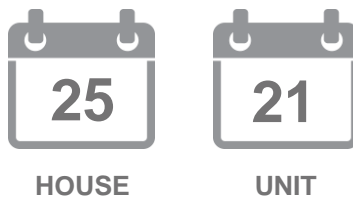
	CHANGE FROM LAST	YEAR	HALF YEAR
	House Sales	↑	↓
	House Median Price	↑	↑
	House Rental Price	↑	↑
	Unit Sales	↑	↑
	Unit Median Price	↑	↑
	Unit Rental Price	↑	↑

MARKET CONDITIONS

SALES MEDIAN PRICE Q3 2021



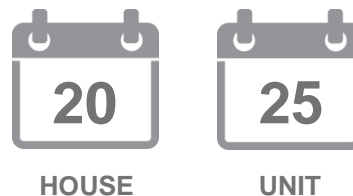
SALES AVERAGE DAYS ON MARKET Q3 2021



RENTAL MEDIAN PRICE Q3 2021

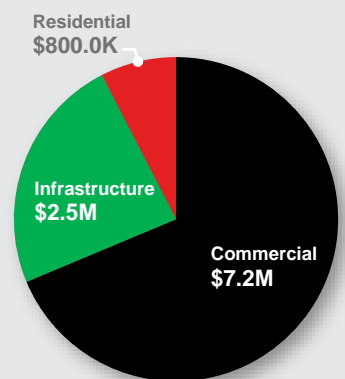


RENTAL AVERAGE DAYS ON MARKET Q3 2021



FUTURE DEVELOPMENTS

Morrisset* is set to see approximately **\$10.5M** worth of new projects commencing in the 2nd half of 2021.



Despite a small number of projects in the back half of 2021, an emphasis on commercial and infrastructure projects will help to stimulate growth in Morrisset* and have a positive spill-over impact on the real estate market.

A main commercial project over the 2nd half of 2021 is the combination of the Cedar Mill Function Centre & Restaurant (\$3.5M) as well as Cedar Mill Roadworks (\$2.2M), which will see alterations to existing structures as well as the construction of a new building and private road. Infrastructure projects include the Cooranbong Bridge Renewal (\$1.3M) and Intersection upgrade at Freemans & Patrick Drives (\$1.2M) increasing traffic flow, safety and ease for residents.

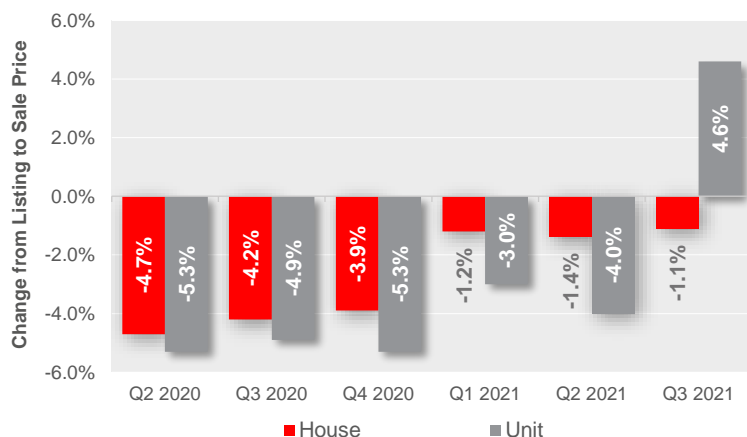
The only residential project is the Harbord Street Townhouses (\$800K, 3 Townhouses). Current market conditions suggest demand is outstripping supply, thus there is an opportunity for developers who can deliver ready-to-sell stock.



3
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.

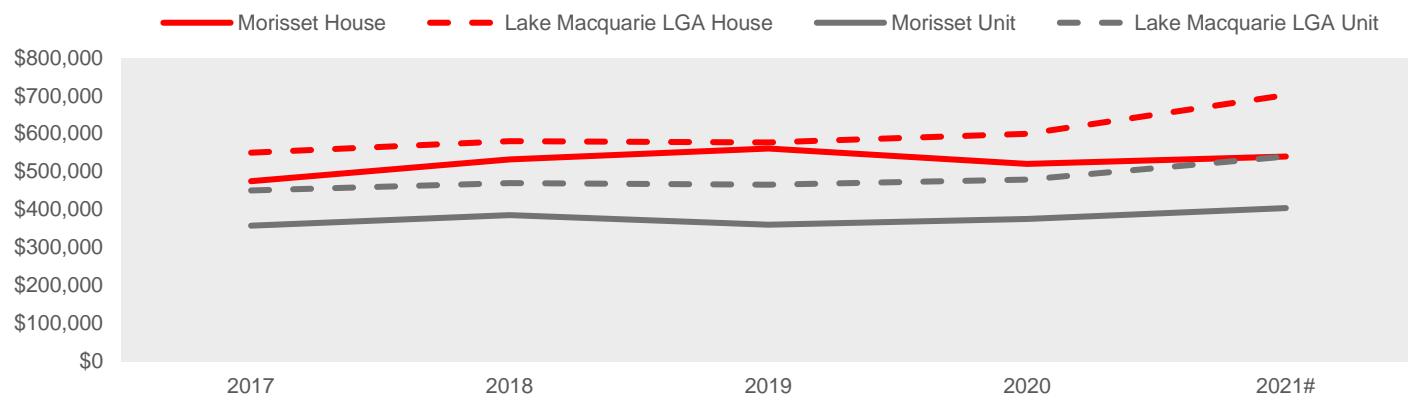


Average vendor discounts between Q3 2020 and Q3 2021 have tightened to -1.1% for houses, and have swung to a premium of 4.6% for houses. Morisset* market conditions have been shifted toward sellers since the beginning of COVID-19 last year, with buyers needing to either offer close to the first list price (house) or higher (units).

The suburb of Morisset has historically provided a more affordable option than the wider Lake Macquarie Local Government Area (LGA) in both house and unit median prices. This continues to be the case throughout 2021#.

The dominant proportion of homes sold in Morisset* across 2021^ were in the premium price bracket of \$850,000 and above (28.0%). Units recorded a dominant middle price point of \$450,000 - \$550,000 (34.6%). Overall there is a balanced amount of sales in each price point, more so for houses, with affordably priced stock still available for first home buyers.

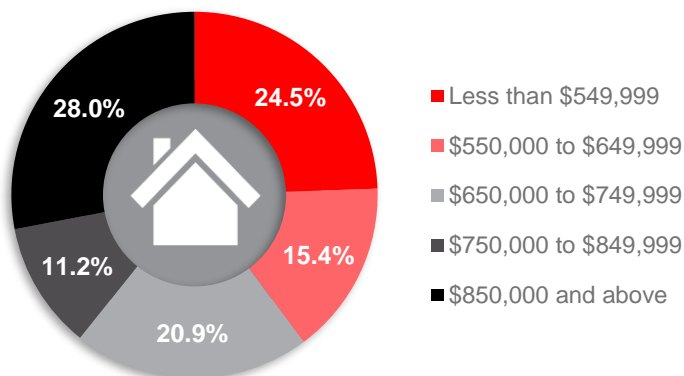
MARKET COMPARISON



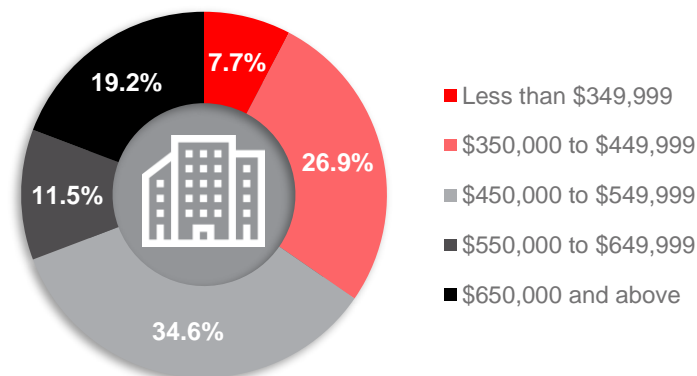
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Morisset.

PRICE BREAKDOWN 2021^

HOUSES SOLD



UNITS SOLD

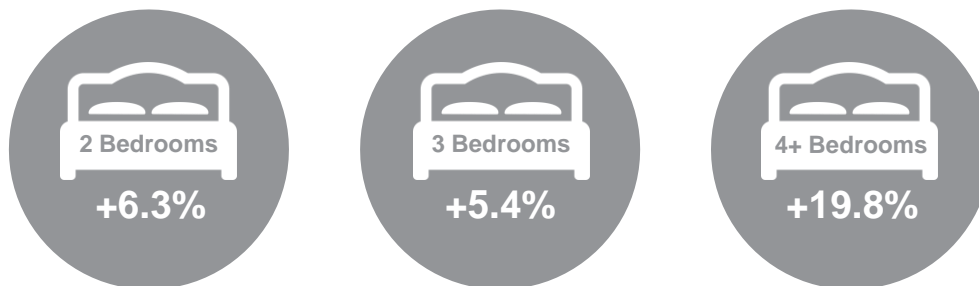


RENTAL GROWTH 2021€

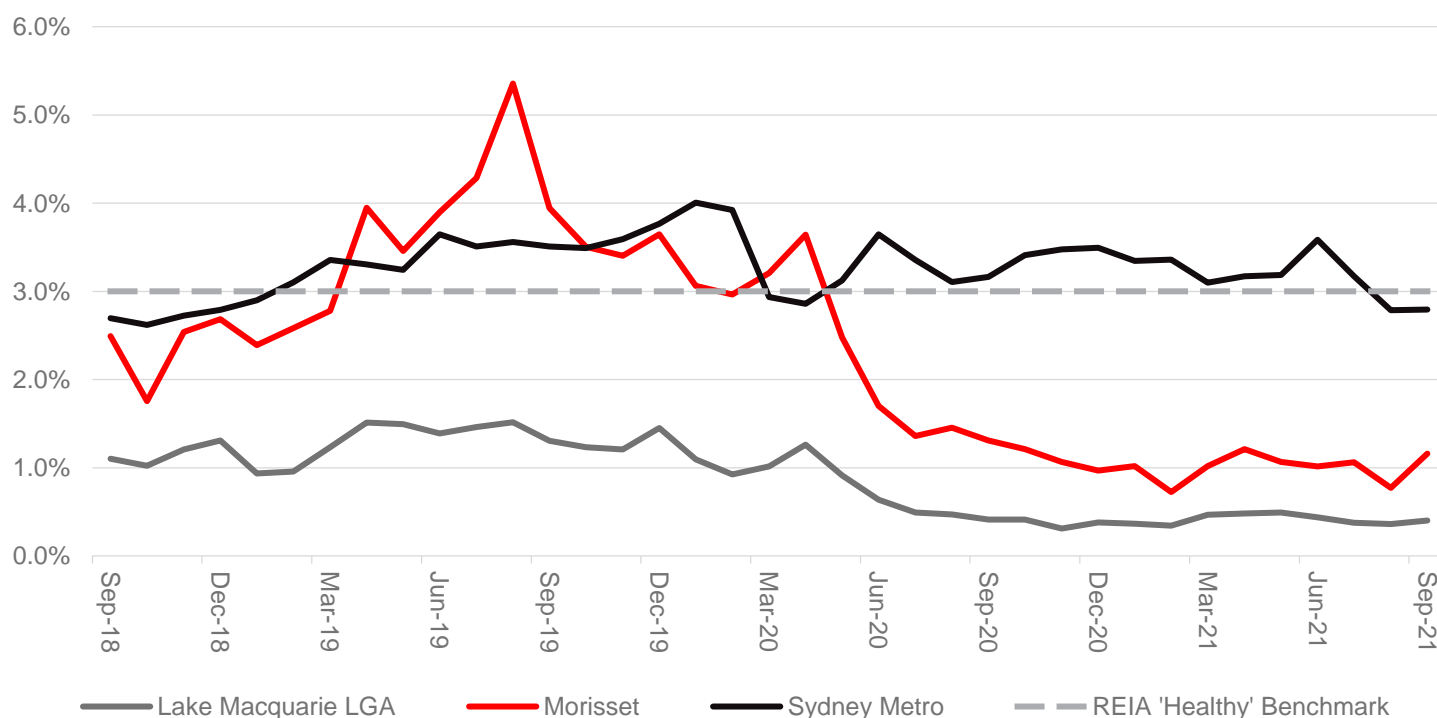
In September 2021, house rental yields in Morisset* were recorded at 4.0%. In the 12 months to Q3 2021, the median house rental price increased by 12.8% to reach \$485 per week, further complemented by average days on the market declining by -13.0% (to 20 days). Overall this indicates a strong rental market throughout 2021.

4+ bedroom houses have provided investors with +19.8% rental growth annually€, with a median rent of \$575 per week.

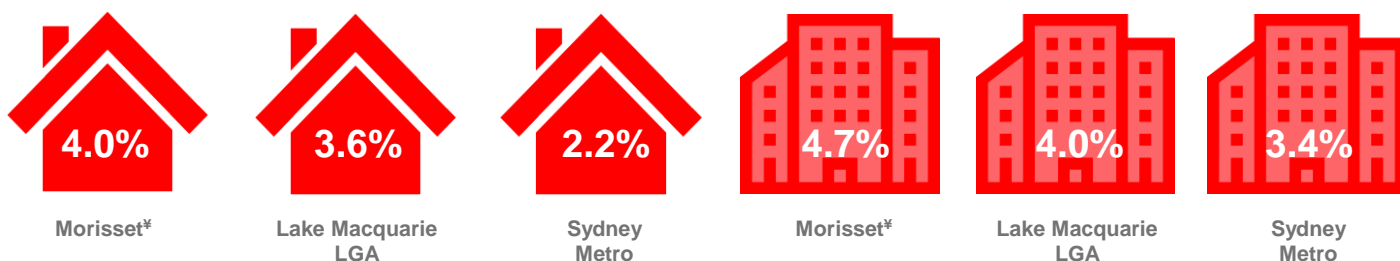
Also in September 2021, Morisset* recorded a vacancy rate of 1.2%, above that of Lake Macquarie LGA (0.4%) but well below Sydney Metro (2.7%). Vacancy rates in Morisset* have trended low for the past 6 months and remained below the Real Estate Institute of Australia's healthy benchmark of 3.0% since the first peak of COVID-19 in May 2020. This confirms there is a healthy rental demand and investors can be confident of a conducive investment environment in Morisset*.



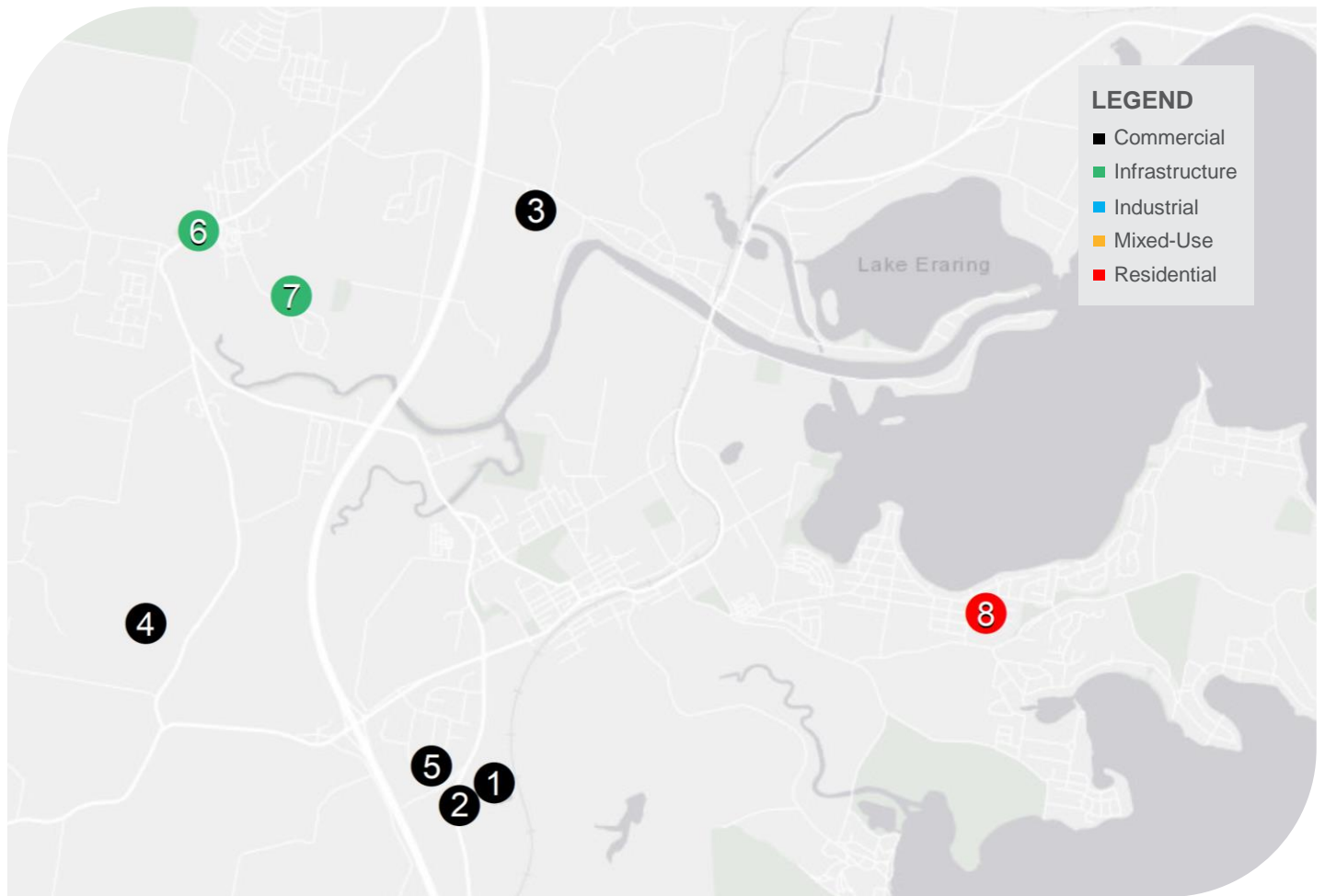
RENTAL VACANCY RATES 2021



RENTAL YIELD 2021\$



TOP DEVELOPMENTS MAP 2ND HALF 2021[Ⓐ]



Location	Project [Ⓔ]	Type	Estimated Value [Ⓝ]	Commence Date [Ⓞ]
1	Cedar Mill Function Centre & Restaurant Stage 1	Commercial	\$3,551,000	03/08/2021
2	Cedar Mill Roadworks	Commercial	\$2,189,000	08/09/2021
3	Jones Road Poultry Shed	Commercial	\$650,000	22/11/2021
4	Game Farm Property	Commercial	\$450,000	02/12/2021
5	Accolade Avenue Light Industrial Building	Commercial	\$400,000	08/12/2021
6	Cooranbong Bridge Renewal	Infrastructure	\$1,300,000	12/10/2021
7	Freemans & Patrick Drives Intersection	Infrastructure	\$1,200,000	06/11/2021
8	Harbord Street Townhouses (3 Townhouses)	Residential	\$800,000	14/11/2021

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.



Ben Lawson, Principal

M +61 423 673 035

E ben.lawson@prdcc.com.au

PRD Morisset

P +61 2 4973 3111

67 Dora Street
Morisset NSW 2264

PRD.com.au/morisset

REFERENCES

* Morisset market data and key indicators encapsulates aggregate property market conditions within the postcodes of 2264 and 2265.

** 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 2021 (01/01/2021 – 30/09/2021) only.

^ 2021 encapsulates sales transactions for 2021 (01/01/2021 – 30/09/2021) only.

€ Annual rental growth is a comparison between 2020 (01/01/2020 – 30/09/2020) and 2021 (01/01/2021 – 30/09/2021) house median rent figures.

¥ Morisset market data encapsulates aggregate property conditions within the postcodes of 2264 and 2265.

§ Rental yields shown are as reported as of September 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 postcodes of 2264 and 2265.

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.

Disclaimer: PRD does not give any warranty in relation to the accuracy of the information contained in this report. If you intend to rely upon the information contained herein, you must take note that the information, figures and projections have been provided by various sources and have not been verified by us. We have no belief one way or the other in relation to the accuracy of such information, figures and projections. PRD will not be liable for any loss or damage resulting from any statement, figure, calculation or any other information that you rely upon that is contained in the material.

Prepared by PRD Research. © All medians and volumes are calculated by PRD Research. Use with written permission only. All other responsibilities disclaimed. © Copyright PRD 2021.