

The Hills Shire Council Market Update 1st Half 2022



OVERVIEW

In Q4 2021, the Hills Shire Council* recorded a median house price of \$1,850,000, and a median unit price of \$982,500. This represents annual (Q4 2020 – Q4 2021) median price growth of 48.0% for houses and 20.9% for units. Between Q4 2020 – Q4 2021 total sales slowed, down by -30.8% for houses (to 689 sales) whilst units remained the same at 262 sales. High demand for houses in the area has seen the average days to sell on the market drop by -37.5% (to 30 days) and median price skyrocket. The market is undersupplied, an opportune time for owners and developers.

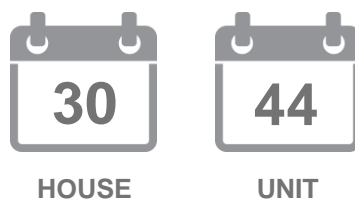
	CHANGE FROM LAST	YEAR	HALF YEAR
	House Sales	↓	↓
	House Median Price	↑	↑
	House Rental Price	↑	↑
	Unit Sales	↔	↔
	Unit Median Price	↑	↑
	Unit Rental Price	↔	↔

MARKET CONDITIONS

SALES MEDIAN PRICE Q4 2021



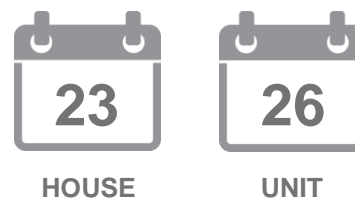
SALES AVERAGE DAYS ON MARKET Q4 2021



RENTAL MEDIAN PRICE Q4 2021

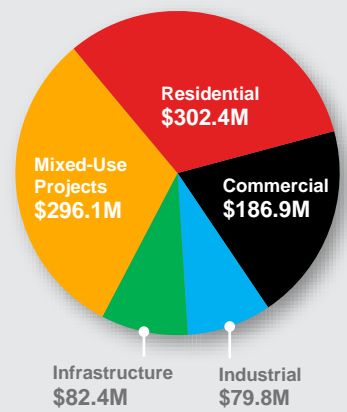


RENTAL AVERAGE DAYS ON MARKET Q4 2021



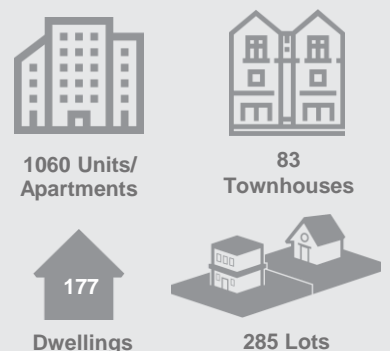
FUTURE DEVELOPMENTS

The Hills Shire Council* is set to see approximately **\$947.6M** worth of new projects commencing in the 1st half of 2022.



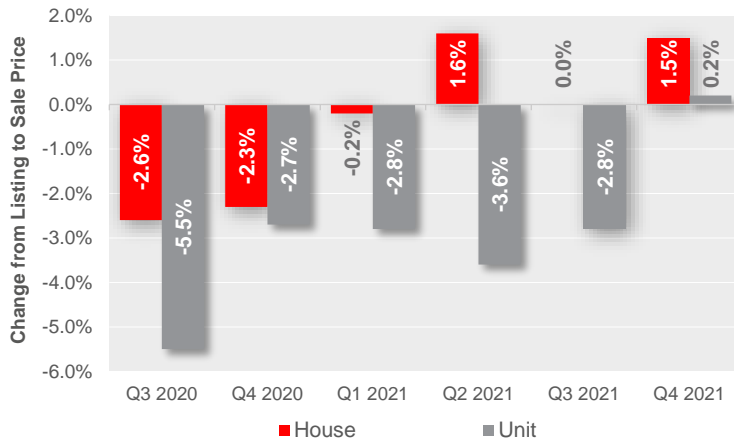
Large investments in residential and mixed-use development will cater to demand, create more sustainable price growth. Further, the addition of new amenities will benefit locals and positively impact the property market.

A main commercial project over the 1st half of 2022 is the Hills Hub (\$25.0M) which will see a variety of retail and commercial tenancy together under one development in Rouse Hill. Box Hill will see several new projects, including the Terry Road Self Storage & Warehouse Development (\$12.9M) and the Hynds Road Dwellings (\$12.3M, 49 Dwellings). Further residential development in the Hills Shire* include stage 2 of the Verset Apartments (\$30.0M, 141 Units) as well as the Terry Road Apartments Collection in Rouse Hill (\$99.6M, 311 units).



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.

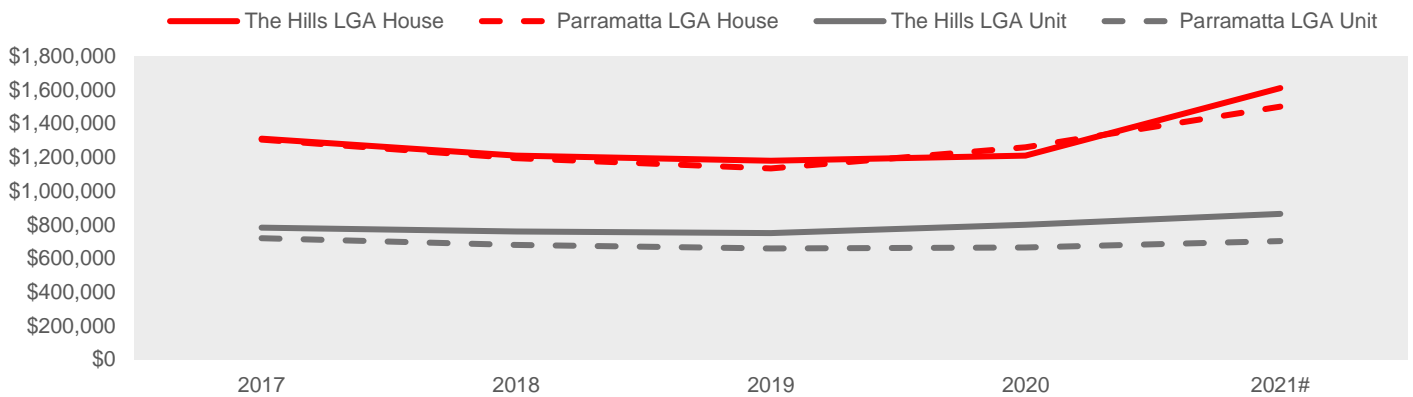


Average vendor discounts between Q4 2020 and Q4 2021 have swung to a premium for both property types, to 1.5% for houses and 0.2% for units. The Hills Shire Council* market have now shifted to favour vendors, where buyers must pay premiums above the initial listed price in order to secure a house or unit.

The Hills Shire Council has typically performed on par with its neighbouring Parramatta Council for median house prices and outperformed them for median unit prices. This continued to be the case across 2021 for units, whilst houses in the Hills Shire Council have outperformed the neighbouring Parramatta LGA.

The dominant proportion of houses sold in the Hills Shire Council* across 2021^ were priced above \$1,900,000 (31.0%). Units recorded split dominant price points: above \$1,050,000 and below \$750,000 (29.9%). This reveals that despite premium price points in both markets, there is affordably priced stock available.

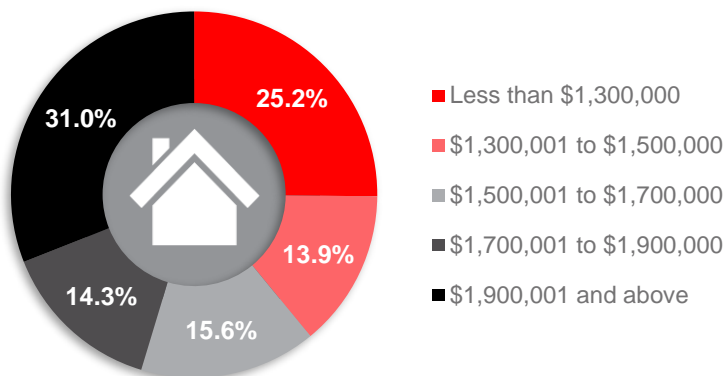
MARKET COMPARISON



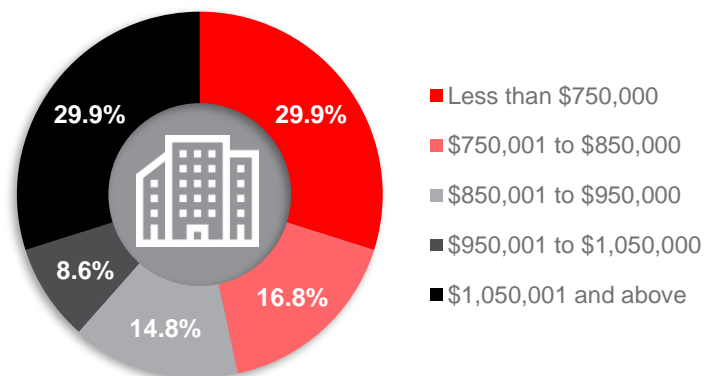
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. Parramatta Council LGA was profiled and chosen as a comparison based on its proximity to the Hills Shire Council LGA.

PRICE BREAKDOWN 2021^

HOUSES SOLD



UNITS SOLD

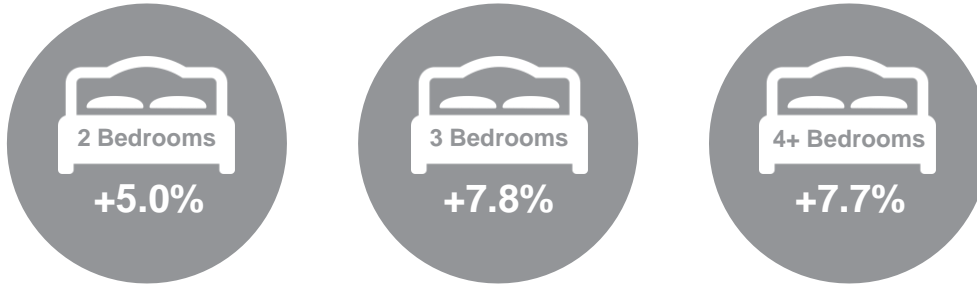


RENTAL GROWTH 2021€

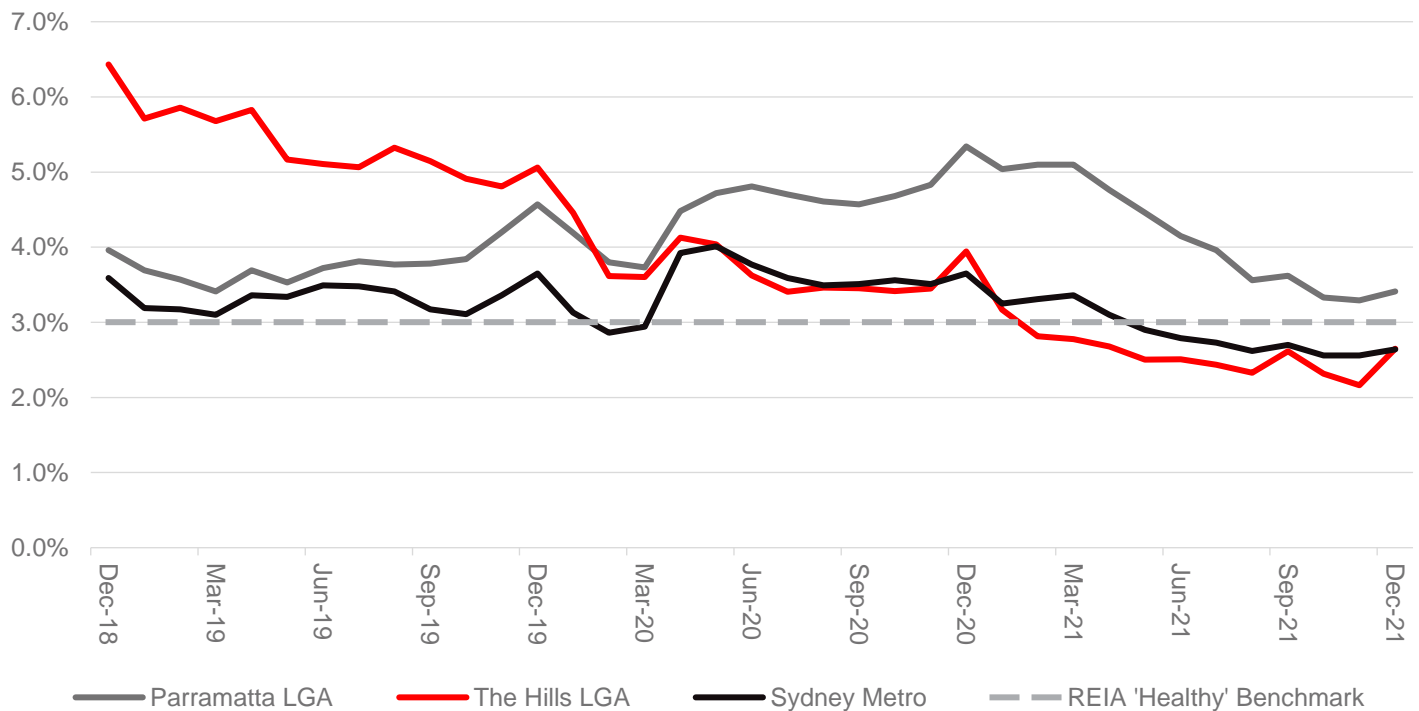
In December 2021, house rental yields in the Hills Shire Council[‡] were recorded at 2.5%. In the 12 months to Q4 2021, the median house rental price increased by 12.5% to reach \$675 per week, while average days on the market declined by -8.0% (to 23 days). The Hills Shire offers greater house rental yields than neighbouring LGA Parramatta (2.0%) and the Sydney Metro average (2.2%). Combined with strong rental price growth and decreased days to let there is a strong rental market.

3 bedroom houses have provided investors with +7.8% rental growth annually[€], with a median rent of \$550 per week.

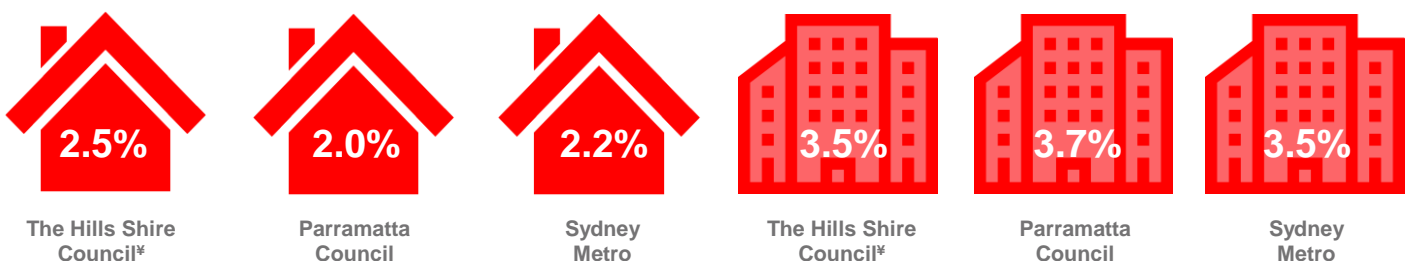
Also in December 2021, The Hills Shire Council[‡] recorded a vacancy rate of 2.6%, on par with Sydney Metro (2.6%) and below that of Parramatta LGA (3.4%). Vacancy rates in the Hills Shire Council[‡] remain below the Real Estate Institute of Australia's healthy benchmark of 3.0% and have been trending downward over the past 3 years. This confirms there is a healthy rental demand and investors can be confident of a conducive investment environment.



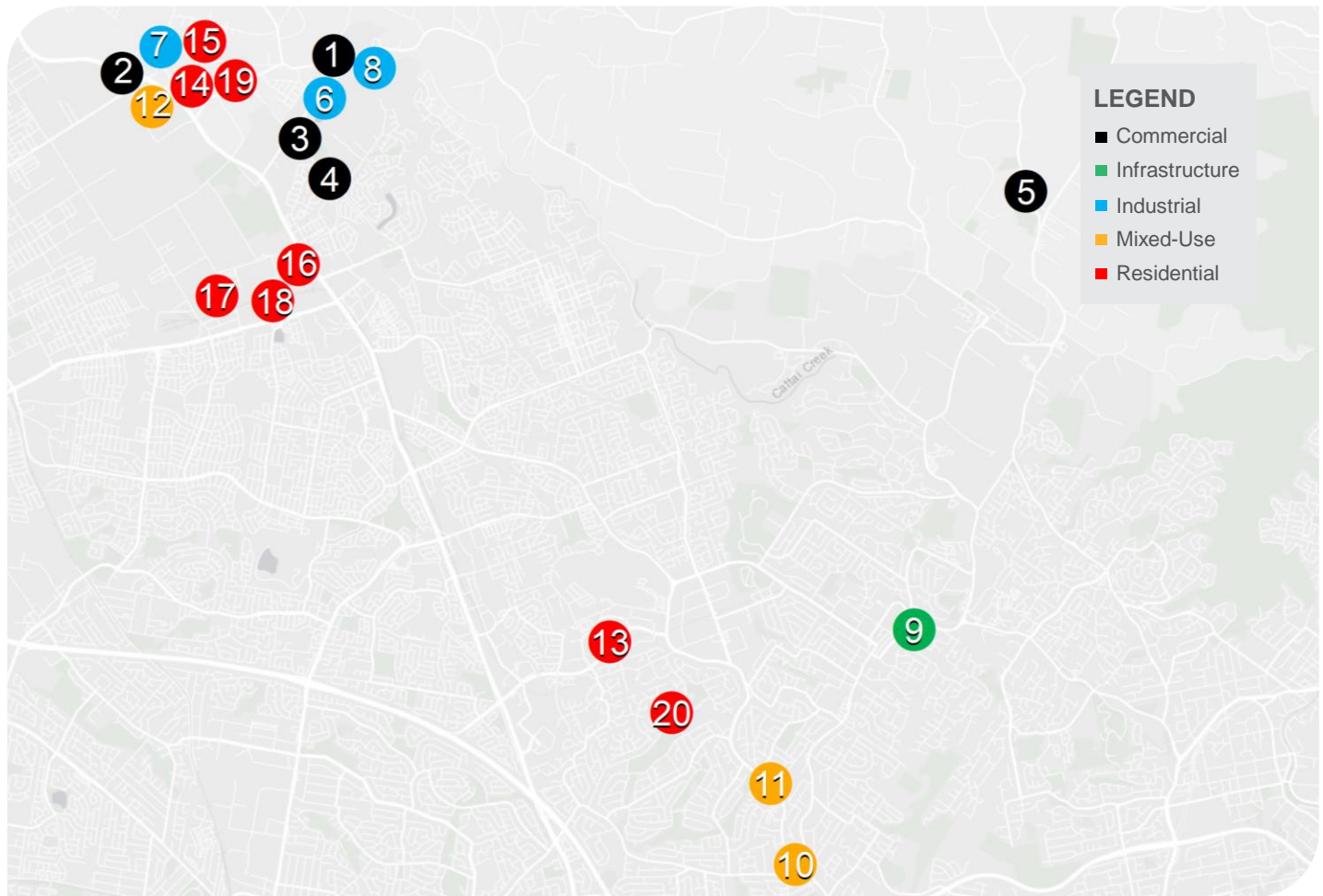
RENTAL VACANCY RATES 2021



RENTAL YIELD 2021§



TOP DEVELOPMENTS MAP 1st HALF 2022[▲]



Location	Project [£]	Type	Estimated Value ^µ	Commence Date ^ψ
1	Annangrove Road & Edwards Road Retirement Village	Commercial	\$60,000,000	26/05/2022
2	Carmel Village	Commercial	\$38,350,000	14/02/2022
3	Annangrove Road Commercial Development - The Hills Hub	Commercial	\$25,000,000	15/02/2022
4	Mile End & Withers Roads Bus Depot	Commercial	\$17,604,000	17/02/2022
5	Skyline Dural	Commercial	\$19,025,000	06/06/2022
6	Annangrove Road Mixed Use Development	Industrial	\$45,735,000	28/03/2022
7	Terry Road Self Storage & Warehouse Development	Industrial	\$12,855,000	05/02/2022
8	Annangrove Road Industrial & Commercial Development	Industrial	\$19,793,000	04/03/2022
9	Castle Hill Showground	Infrastructure	\$80,000,000	03/05/2022
10	Bull & Bush Hotel Site (200 Units)	Mixed-use	\$260,000,000	10/05/2022
11	Windsor Road Mixed Use Development - 360 The Hills (37 Dwellings)	Mixed-use	\$12,289,000	16/06/2022
12	Alan Street Mixed Use Development (54 Units)	Mixed-use	\$14,000,000	04/03/2022
13	Windsor Road Dwellings & Residential Subdivision (33 Dwellings, 33 Lots)	Residential	\$17,231,000	08/05/2022
14	Alan Street Units (71 Units)	Residential	\$21,000,000	07/03/2022
15	Hynds Road Dwellings (49 Dwellings)	Residential	\$12,250,000	14/04/2022
16	Verset Apartments Stage 2 (141 Units)	Residential	\$30,000,000	07/03/2022
17	Cudgegong Road Residential Buildings Rouse Hill (170 Units)	Residential	\$44,633,000	20/04/2022
18	Terry Road Apartments Collection - Rouse Hill (311 Units)	Residential	\$99,575,000	02/05/2022
19	Nelson Road Small Lot Housing Development & Subdivision (40 Dwellings, 41 Lots)	Residential	\$20,974,000	18/05/2022
20	Mckillop Drive Townhouses (40 Townhouses)	Residential	\$10,000,000	18/05/2022

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 2021 (01/01/2021 – 31/12/2021) only.

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€ Annual rental growth is a comparison between 2020 (01/01/2020 – 31/12/2020) and 2021 (01/01/2021 – 31/12/2021) 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 December 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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