



Upper Hunter Market Update 1st Half 2022



OVERVIEW

In Q4 2021, Upper Hunter* recorded a median house price of \$425,000, and a median unit price of \$237,500. This represents annual (Q4 2020 – Q4 2021) median price growth of 21.3% for houses and 7.0% for units. Between Q4 2020 – Q4 2021 total sales in both markets increased, by 25.4% for houses (to 262 sales) and by 96.6% for units (to 57 sales). Double digit price growth and increased sales volumes indicate real returns on investment. This makes now an ideal time for owner-occupiers and/or down-sizers to capitalise on the market and transact in Upper Hunter*.

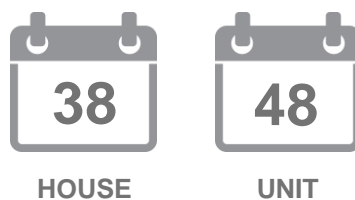
	CHANGE FROM LAST	YEAR	HALF YEAR
	House Sales	↑	↑
	House Median Price	↑	↑
	House Rental Price	↑	↑
	Unit Sales	↑	↑
	Unit Median Price	↑	↓
	Unit Rental Price	↑	↑

MARKET CONDITIONS

SALES MEDIAN PRICE Q4 2021



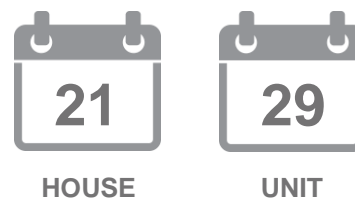
SALES AVERAGE DAYS ON MARKET Q4 2021



RENTAL MEDIAN PRICE Q4 2021

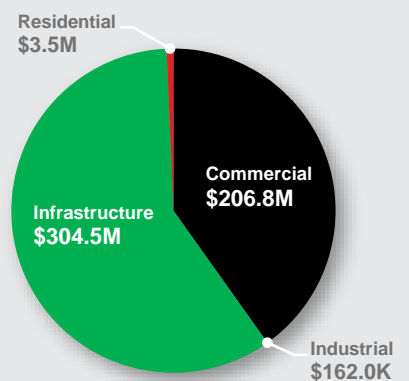


RENTAL AVERAGE DAYS ON MARKET Q4 2021



FUTURE DEVELOPMENTS

Upper Hunter* is set to see approximately **\$514.9M** worth of new projects commencing in the 1st half of 2022.



A main commercial project over the 1st half of 2022 is the Hunter Valley Energy Park (\$190.0M) which will see the construction and operation of a renewable energy generating facility. This park is set to have a total generating capacity of 137 megawatts made up of a combination of wind turbines, solar and hydro-electric facilities. This will be a significant boost to Upper Hunter* local economy.

The Muswellbrook Bypass (\$266.0M) is a major infrastructure project beginning in 2022 that will construct a single carriageway 8.8km in length, vastly improving the railway infrastructure in Upper Hunter* and surrounding areas.

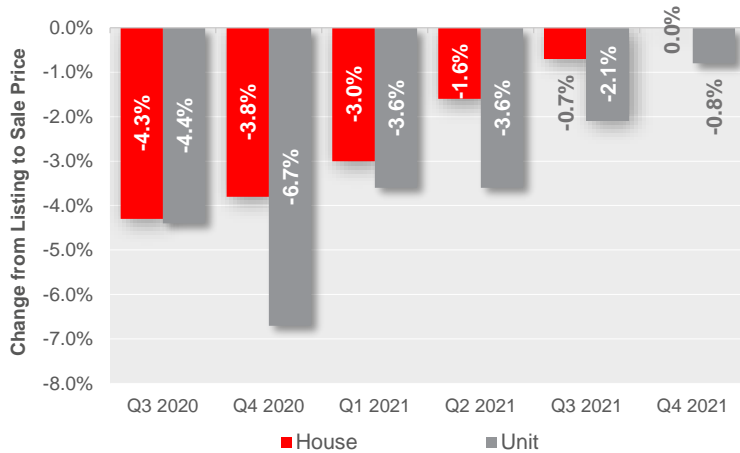
The only residential project is Rawcliffe & Wynyard Street Units (\$3.5M), adding 12 units to the market. Based on current demand there is a need for more ready-to-sell stock, thus an ideal time for developers to enter the market.



12 Units/
Apartments

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.

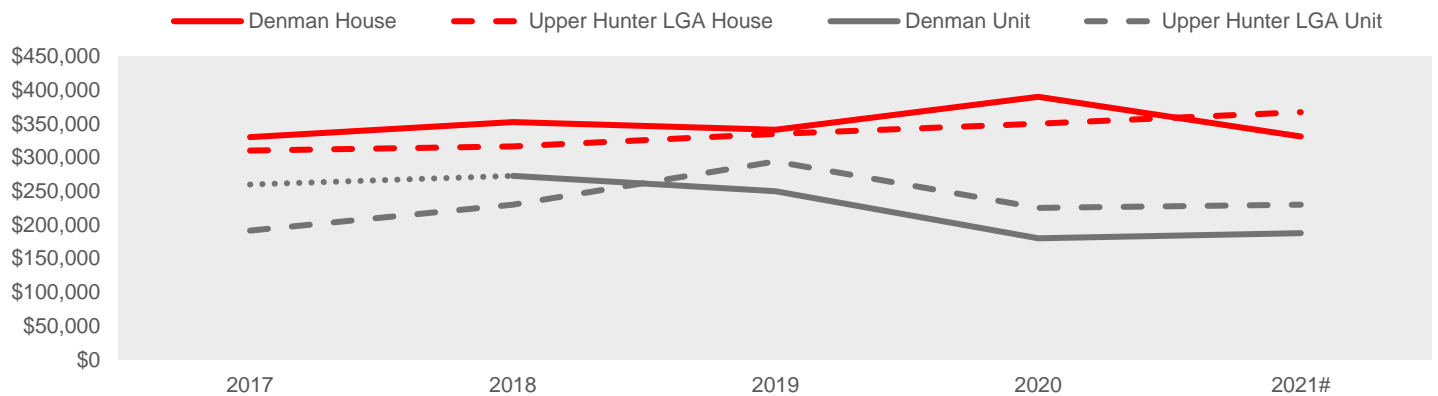


Average vendor discounts between Q4 2020 and Q4 2021 have tightened for both property types, to 0.0% for houses and -0.8% for units. Market conditions in Upper Hunter* have sharply shifted toward favouring sellers, where buyers have less negotiating power and are paying close to the initial first listing price.

The suburb of Denman has historically slightly outperformed the wider Upper Hunter Local Government Area (LGA) in its median house price and been the more affordable option with regard to median unit prices. This continued to be the case throughout 2021# for units, whilst Denman's housing market has become more affordable than the wider LGA.

The dominant proportion of homes sold in Upper Hunter* in 2021^ were in the middle price bracket of \$350,000-\$450,000 (32.4% combined). Units showed a dominant premium price point of above \$300,000 (35.6%). There is stock for all budgets, including affordable options.

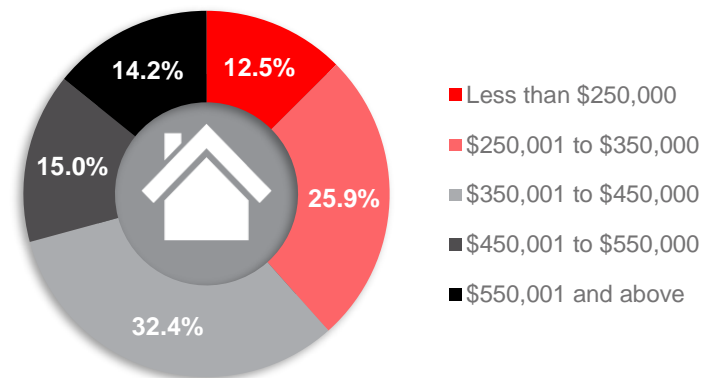
MARKET COMPARISON



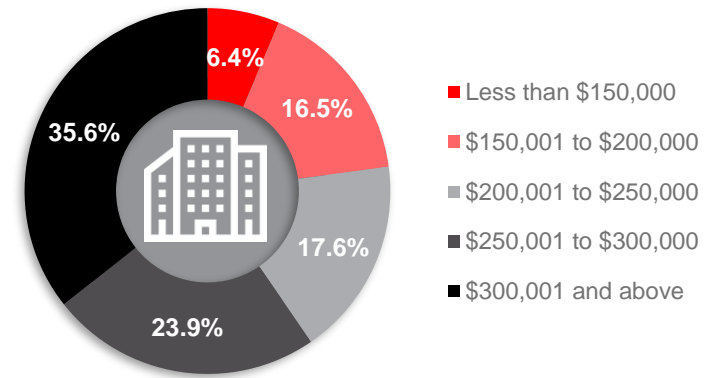
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Denman.

PRICE BREAKDOWN 2021^

HOUSES SOLD



UNITS SOLD

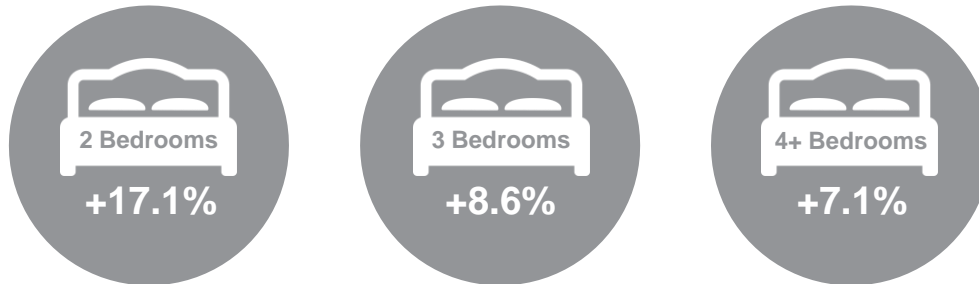


RENTAL GROWTH 2021€

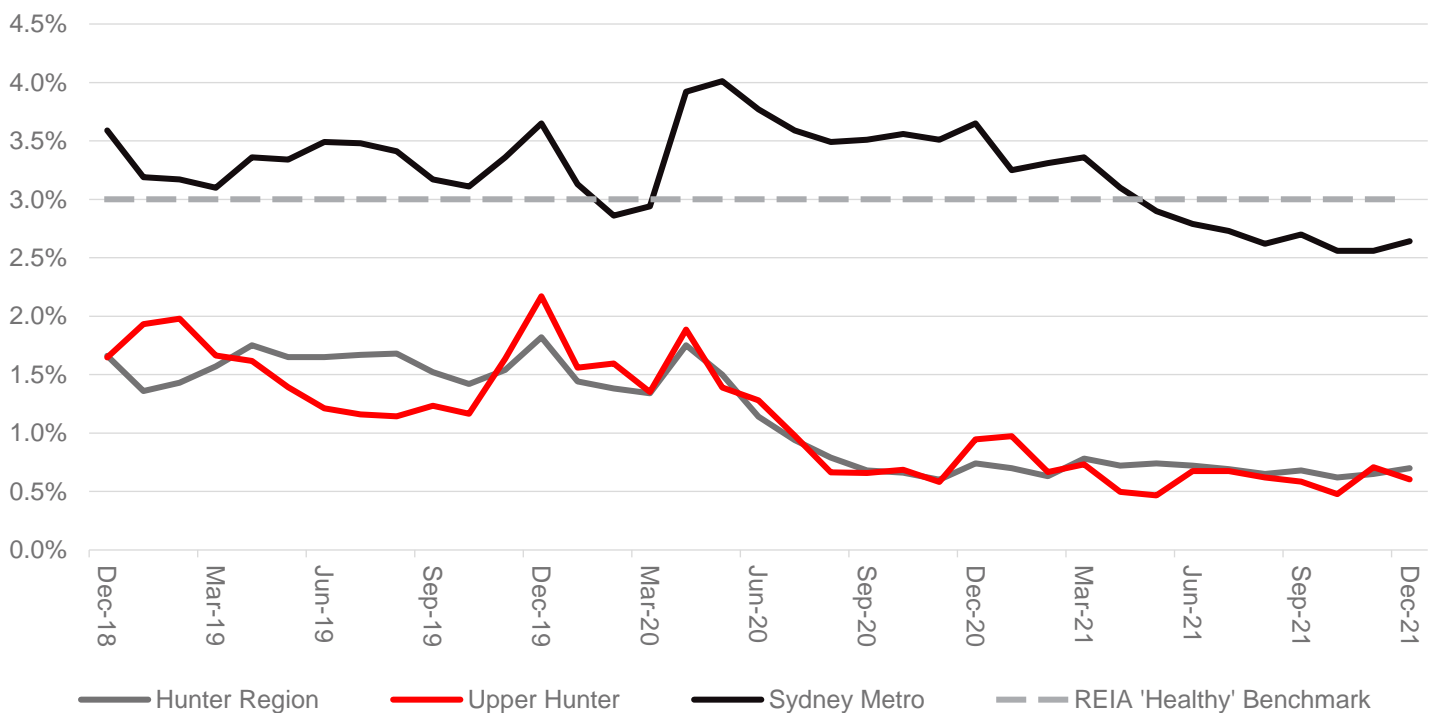
In December 2021, house rental yields in Upper Hunter* were recorded at 4.8%. In the 12 months to Q4 2021, the median house rental price increased by 7.5% to reach \$430 per week, while average days on the market declined by -12.5% (to 21 days). Strong rental yields and increased median house rental price growth are good indicators for investors and represents a resilient rental market.

2 bedroom houses have provided investors with +17.1% rental growth annually€, with a median rent of \$328 per week.

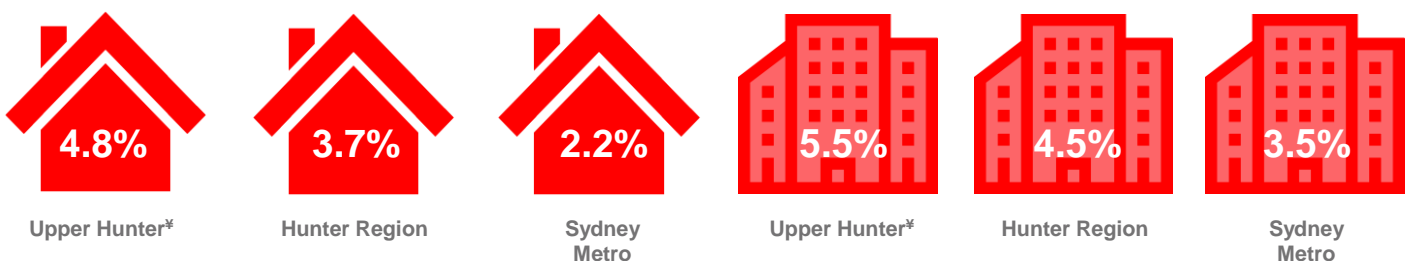
Also in December 2021, Upper Hunter* recorded a vacancy rate of 0.6%, slightly below that of the Hunter Region (0.7%) and well below Sydney Metro (2.6%). Vacancy rates in Upper Hunter* have remained under 1.5% for the past 18 months and continued to remain well below the Real Estate Institute of Australia's healthy benchmark of 3.0%. This confirms there is a healthy level of rental demand and investors can be confident of a conducive investment environment in Upper Hunter*.



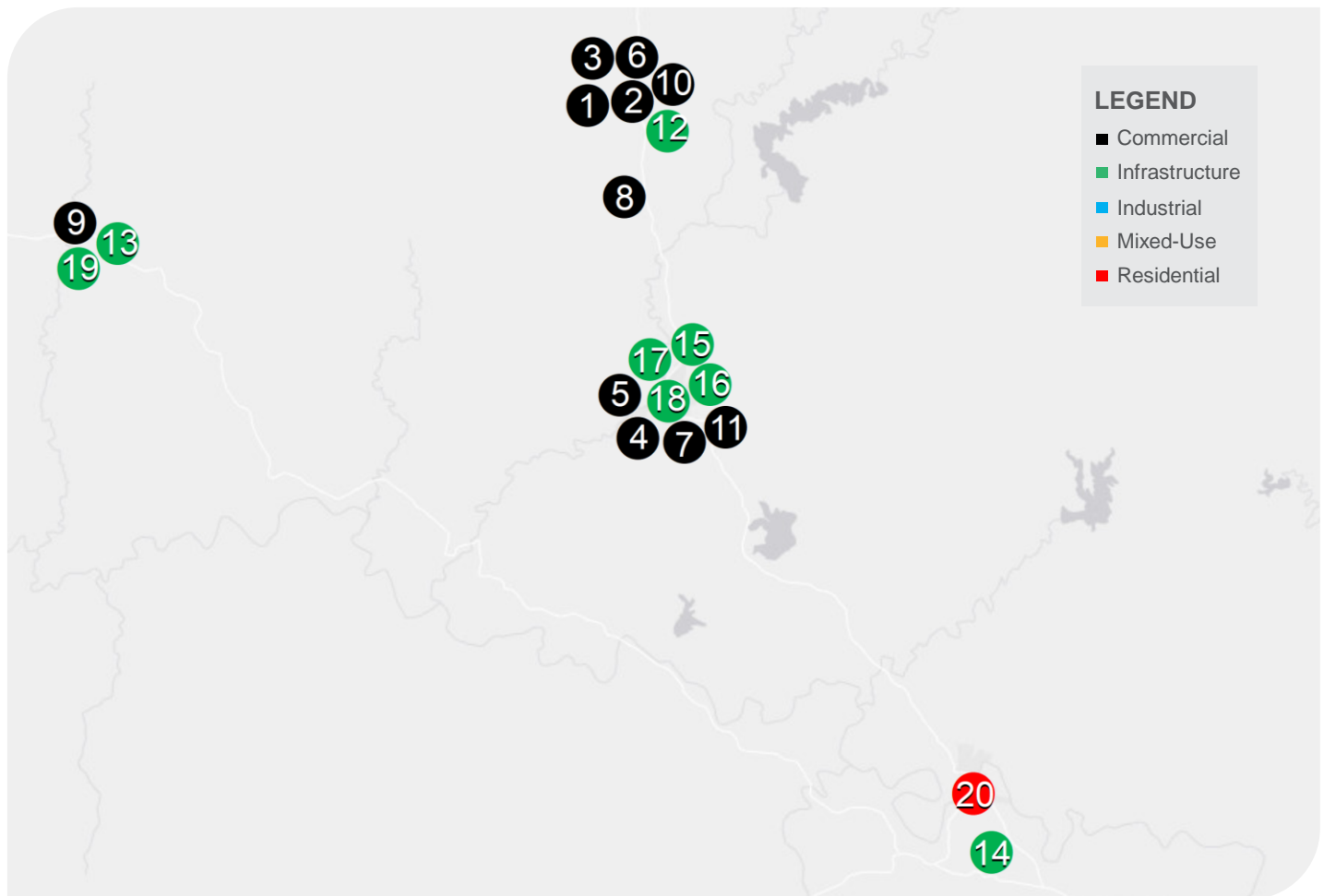
RENTAL VACANCY RATES 2021



RENTAL YIELD 2021§



TOP DEVELOPMENTS MAP 1st HALF 2022[▲]



Location	Project [£]	Type	Estimated Value ^µ	Commence Date ^ψ
1	Hunter Valley Equine Research Centre	Commercial	\$1,600,000	01/04/2022
2	Upper Hunter Energy Park	Commercial	\$190,000,000	12/03/2022
3	Hunter Equine Centre	Commercial	\$700,000	16/03/2022
4	Bridge, Brook & Hill Streets Community & Commercial Development	Commercial	\$3,556,000	03/02/2022
5	7 Eleven Service Station	Commercial	\$2,128,000	14/04/2022
6	Makybe Diva Street Service Station	Commercial	\$2,000,000	26/03/2022
7	Haydon Street Backpackers Accommodation	Commercial	\$680,000	28/05/2022
8	Turanville Road Equine Training Buildings	Commercial	\$1,314,000	10/06/2022
9	Bettington Street Service Station	Commercial	\$1,200,000	10/03/2022
10	United 24 Service Station Scene	Commercial	\$1,200,000	05/03/2022
11	Limestone Road Earthworks	Commercial	\$1,093,000	10/02/2022
12	Lapstone Bridge & Culvert	Infrastructure	\$722,000	04/04/2022
13	Merriwa Cycle & Walkway	Infrastructure	\$923,000	21/05/2022
14	Singleton Training Area - Range	Infrastructure	\$1,000,000	14/03/2022
15	Muswellbrook Bypass	Infrastructure	\$266,000,000	25/04/2022
16	Coal Road Organics Recycling Facility	Infrastructure	\$3,850,000	02/06/2022
17	Muswellbrook Regional Entertainment & Conference Centre	Infrastructure	\$26,998,000	10/01/2022
18	Muswellbrook Fire Station	Infrastructure	\$3,100,000	02/03/2022
19	Bobiella Bridge	Infrastructure	\$617,000	28/02/2022
20	Rawcliffe & Wynyard Streets Units (12 Units)	Residential	\$3,500,000	10/06/2022

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

* Upper Hunter market data and key indicators encapsulates aggregate property market conditions within the suburbs of Denman, Muswellbrook, Merriwa, Scone, and Singleton.

** 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.

¥ Upper Hunter market data encapsulates aggregate property conditions within the postcode of 2328,2329, 2330, 2333, and 2337.

§ 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 Denman, Muswellbrook, Merriwa, Scone, and Singleton.

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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