



# Hunter Valley Market Update 2nd Half 2021



## OVERVIEW

In Q4 2021, Hunter Valley\* recorded a median house price of \$660,500, and a median unit price of \$462,500. This represents annual (Q4 2020 – Q4 2021) median price growth of 28.3% for houses and 15.6% for units. Between Q4 2020 – Q4 2021 total sales for houses picked up, by 6.6% (to 323 sales), and slowed for units, by -28.9% (to 32 sales). There are real returns on capital investment in the house market and an undersupply in the unit market; all due to increased demand in Hunter Valley\*. Now is an ideal time for owners to capitalise and transact, and for developers to enter the market.

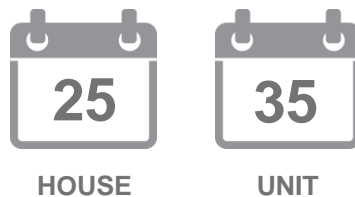
	CHANGE FROM LAST	YEAR	HALF YEAR
	House Sales	↑	↑
	House Median Price	↑	↑
	House Rental Price	↑	↑
	Unit Sales	↓	↓
	Unit Median Price	↑	↑
	Unit Rental Price	↑	↑

## MARKET CONDITIONS

### SALES MEDIAN PRICE Q4 2021



### SALES AVERAGE DAYS ON MARKET Q4 2021



### RENTAL MEDIAN PRICE Q4 2021

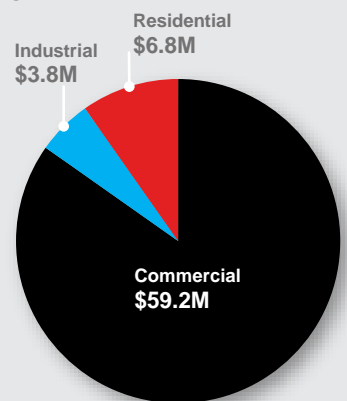


### RENTAL AVERAGE DAYS ON MARKET Q4 2021



## FUTURE DEVELOPMENTS

Hunter Valley\* is set to see approximately **\$69.8M** worth of new projects commencing in the 1st half of 2022.



A strong focus on commercial projects will stimulate economic growth and create large employment opportunities in Hunter Valley\*, which should have a positive spill-over impact on the real estate market.

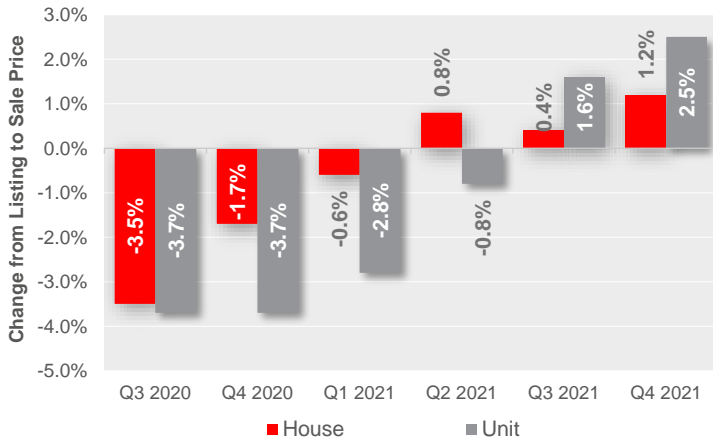
A main commercial project that has been confirmed in the 1st half of 2022 is the Fresh Hope Residential Aged Care Facility (\$40.4M) which will construct a 2-4 storey residential aged care facility comprising of 160 beds. Another commercial project is the Mitchell Drive Medical Centre (\$1.7M) which will add essential facilities to the Hunter Region. This will create new jobs and attract a new demographic into the area.

Residential projects include the Eurimbla Street Units (\$1.4M, 8 Units), Ruby Road Villas (\$1.9M, 10 Dwellings) and Newcastle Street Villas (\$1.3M, 7 Dwellings); which will add supply to the area. However considering the demand and supply balance in the current market, there is still room for developers to enter and offer more housing stock.



# 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.

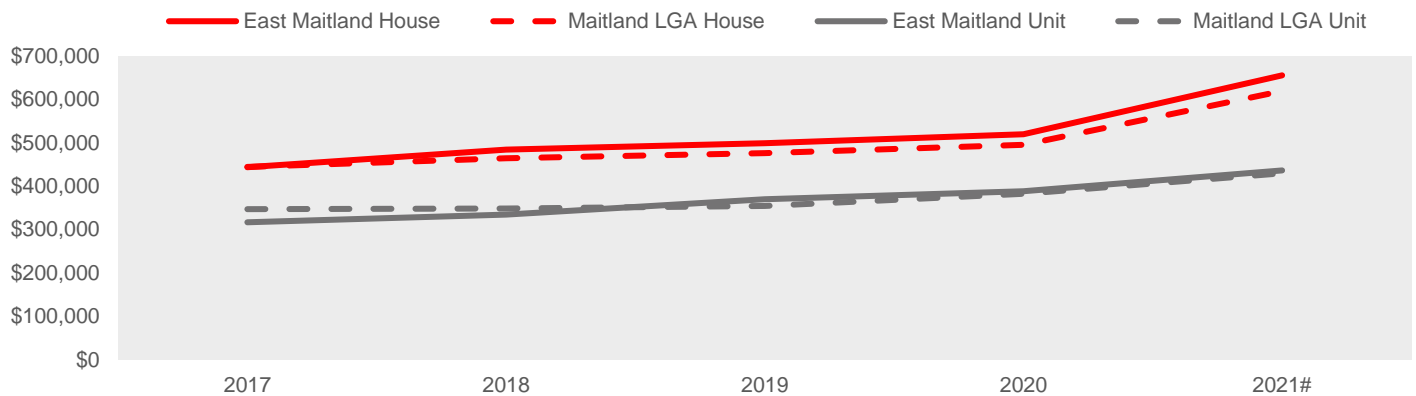


Average vendor discounts between Q4 2020 and Q4 2021 have swung to premiums of 1.2% for houses and 2.5% for units. House and unit market conditions in Hunter Valley\* have now shifted to favour vendors, as buyers are willing to offer above the initial listing price. For the first time since 2015 we are seeing average vendor premiums in the Hunter Valley\*.

The suburb of East Maitland has historically slightly outperformed the wider Maitland Local Government Area (LGA) for median house prices and units. This continues to be the case in 2021#.

The dominant proportion of homes sold in the Hunter Valley\* across 2021^ were in the middle-ranged price bracket of \$550,000-\$650,000 (28.9%). Units recorded a dominant premium-range price bracket, of above \$500,000 (32.1%). Despite this, a large portion of stock remains in the lower price brackets in the Hunter Valley\*, in good news for first home buyers.

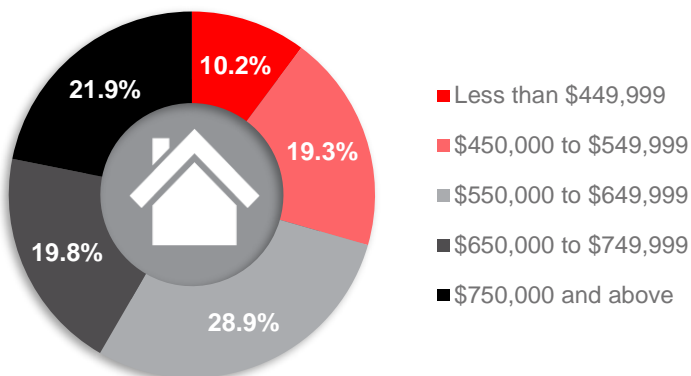
## MARKET COMPARISON



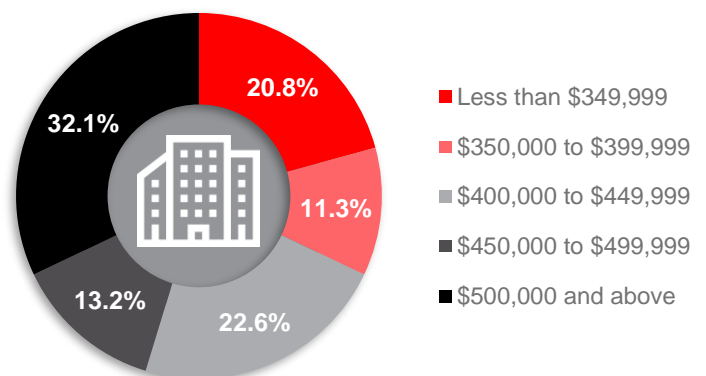
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is East Maitland.

## PRICE BREAKDOWN 2021^

### HOUSES SOLD



### UNITS SOLD



## RENTAL GROWTH 2021€

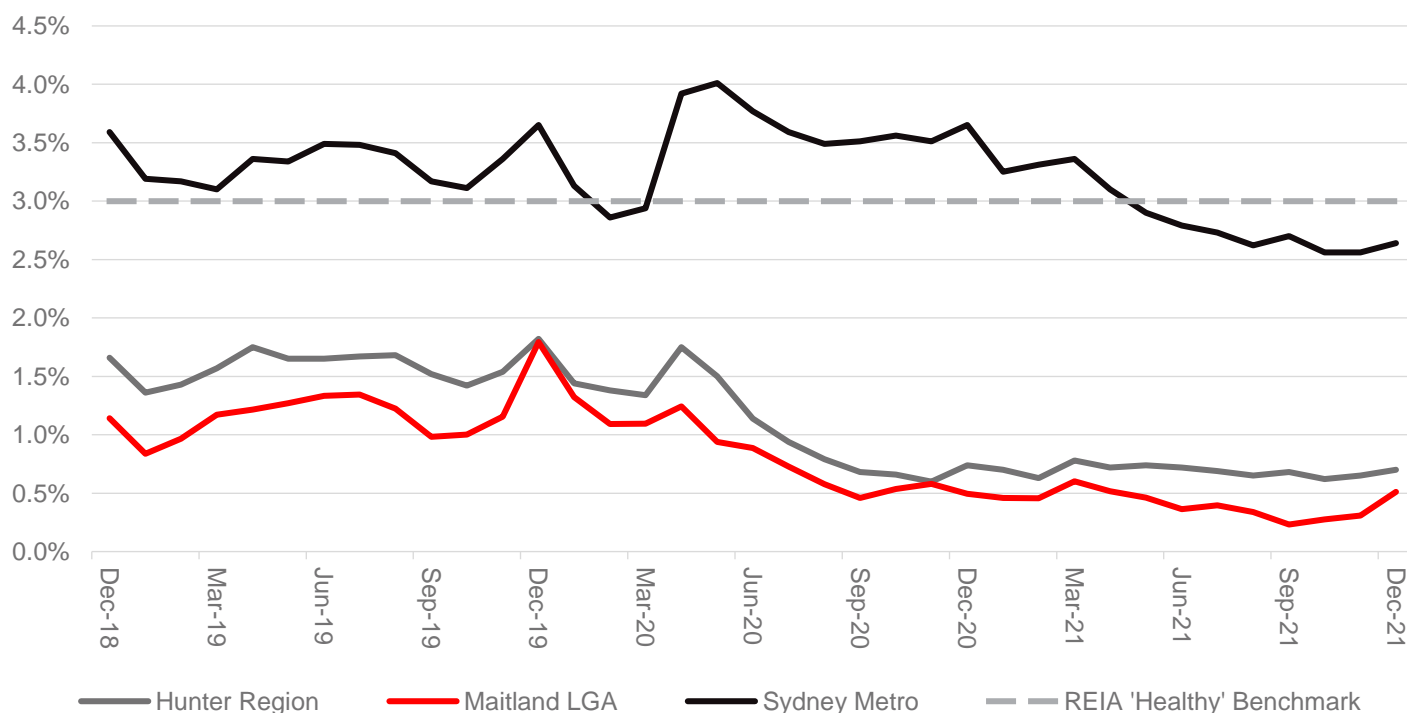
In December 2021, house rental yields in the Hunter Region<sup>‡</sup> were recorded at 3.7%. In the 12 months to Q4 2021, the median house rental price increased by 11.1% to reach \$500 per week, while average days to let on the market increased by 1 day to 17 days. A strong increase in median house rental price and a house rental yield on par with the surrounding LGA suggests the Hunter Region<sup>‡</sup> remains a resilient rental market.

3 bedroom houses have provided investors with +12.5% rental growth annually<sup>€</sup>, with a median rent of \$450 per week.

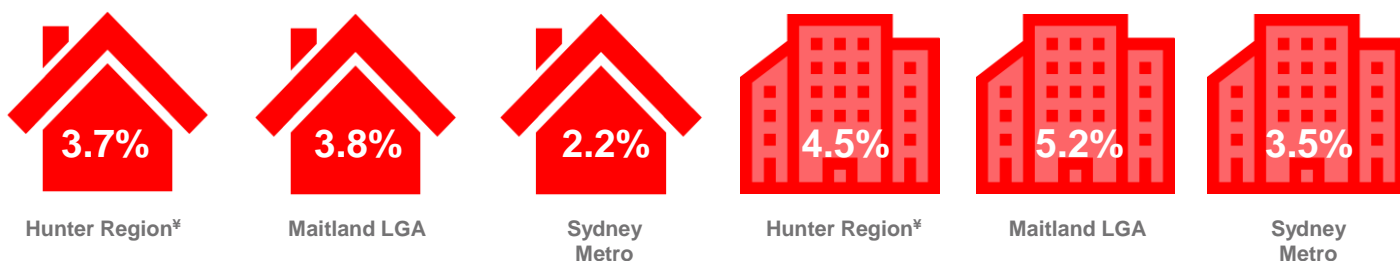
Also in December 2021, the Hunter Region<sup>‡</sup> recorded a vacancy rate of 0.7%, slightly above that of Maitland LGA (0.5%) but well below Sydney Metro (2.6%). Vacancy rates in the Hunter Region<sup>‡</sup> remain well below the Real Estate Institute of Australia's healthy benchmark of 3.0%. Low vacancy rates remains a feature for the Hunter Region<sup>‡</sup>, thus confirming there is a healthy level of rental demand and investors can be confident of a conducive investment environment.



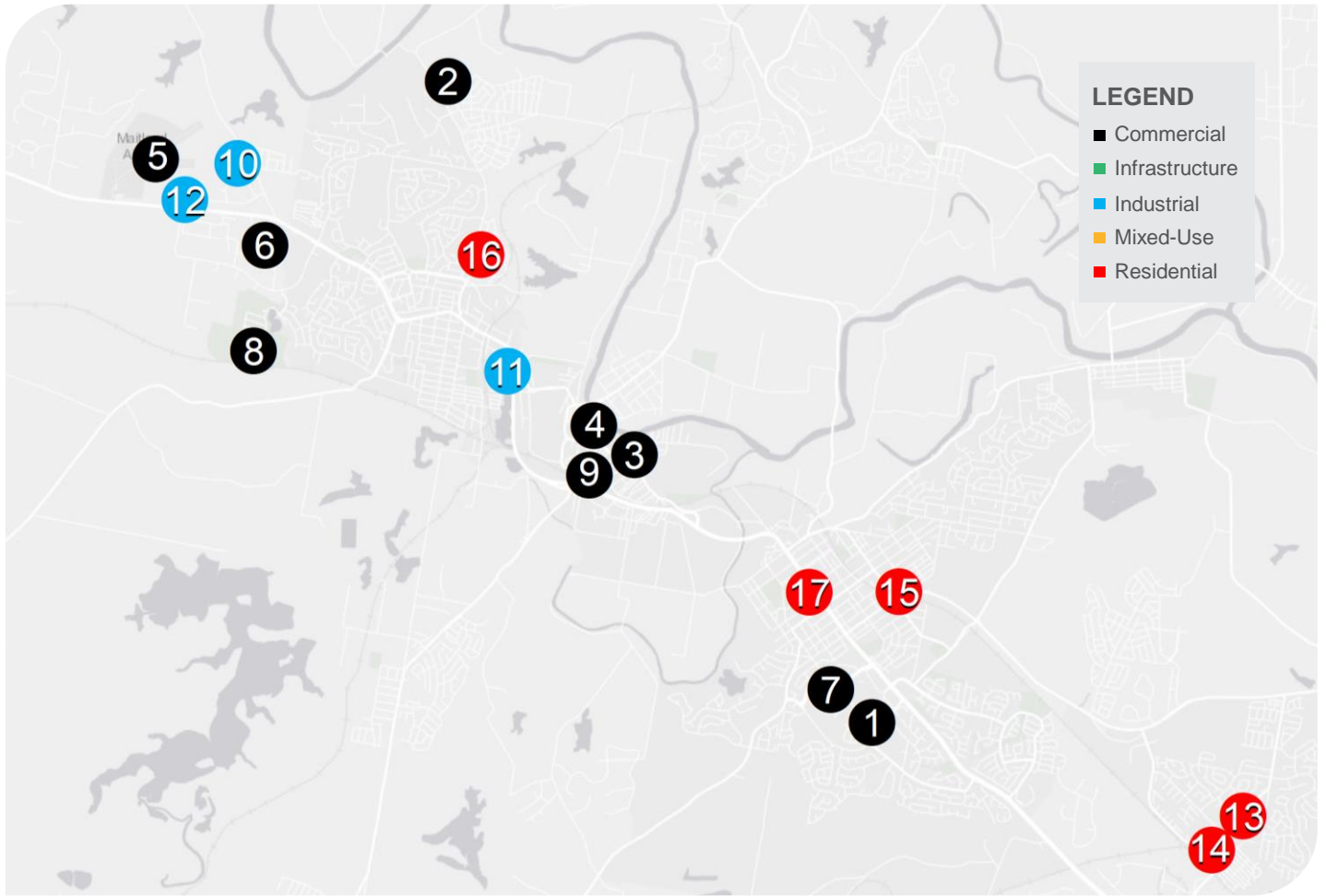
## RENTAL VACANCY RATES 2021



## RENTAL YIELD 2021§



# TOP DEVELOPMENTS MAP 1st HALF 2022<sup>A</sup>



Location	Project <sup>£</sup>	Type	Estimated Value <sup>¥</sup>	Commence Date <sup>▼</sup>
1	Fresh Hope Residential Aged Care Facility	Commercial	\$40,412,000	21/02/2022
2	Avocet Street Group Home	Commercial	\$476,000	24/01/2022
3	High Street Retail Premises	Commercial	\$499,000	18/06/2022
4	Woolworths Maitland	Commercial	\$550,000	15/06/2022
5	Royal Newcastle Aero Club	Commercial	\$400,000	16/03/2022
6	Shipleigh Drive Commercial Premises	Commercial	\$300,000	10/02/2022
7	Mitchell Drive Medical Centre	Commercial	\$1,712,000	22/03/2022
8	Principle Living - Rutherford	Commercial	\$13,226,000	23/05/2022
9	Church Street Boarding House	Commercial	\$1,600,000	06/04/2022
10	Spitfire Place Warehouse Units	Industrial	\$839,000	11/04/2022
11	Bunnings Maitland	Industrial	\$2,500,000	10/03/2022
12	Mirage Road Warehouse	Industrial	\$493,000	24/03/2022
13	Eurimbla Street Units (8 Units)	Residential	\$1,400,000	04/05/2022
14	Eurimbla Street Units (8 Units)	Residential	\$1,400,000	06/06/2022
15	Raymond Terrace Road Units (4 Units)	Residential	\$860,000	10/01/2022
16	Ruby Road Villas (10 Dwellings)	Residential	\$1,878,000	08/04/2022
17	Newcastle Street Villas (7 Dwellings)	Residential	\$1,259,000	14/06/2022

## 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

\* 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 2021 (01/01/2021 – 31/12/2021) only.

^ 2021 encapsulates sales transactions for 2021 (01/01/2021 – 31/12/2021) only.

€ 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.

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

§ 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 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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