



Hunter Valley Market Update 2nd Half 2022



OVERVIEW

In Q2 2022, Hunter Valley* recorded a median house price of \$716,500, and a median unit price of \$497,500. This represents annual (Q2 2021 – Q2 2022) median price growth of 19.4% for houses and 13.0% increase for units. Total sales slowed between Q2 2021 – Q2 2022, by -36.6% (to 182 sales) for houses and by -22.2% (to 28 sales) for units. Current owner occupiers and down-sizers can benefit from real returns on capital investment, as median price growth has been fuelled by an undersupplied house and unit market. The imbalance in demand and supply can provide a buffer against cash rate hikes.

	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 2022



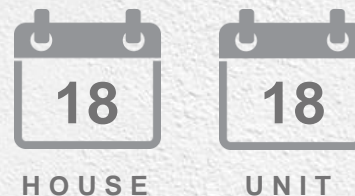
SALES AVERAGE DAYS ON MARKET Q2 2022



RENTAL MEDIAN PRICE Q2 2022

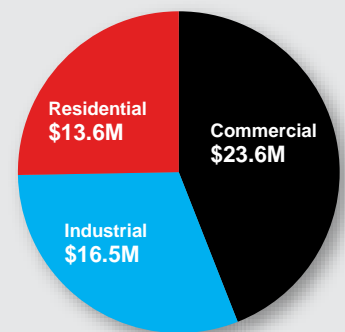


RENTAL AVERAGE DAYS ON MARKET Q2 2022



FUTURE DEVELOPMENTS

Hunter Valley is set to see approximately **\$53.6M** worth of new projects commencing in the 2nd half of 2022.



These projects will stimulate economic growth and create large employment opportunities in Hunter Valley. This will have a spill-over impact on the real estate market, more likely in the form of higher demand for property.

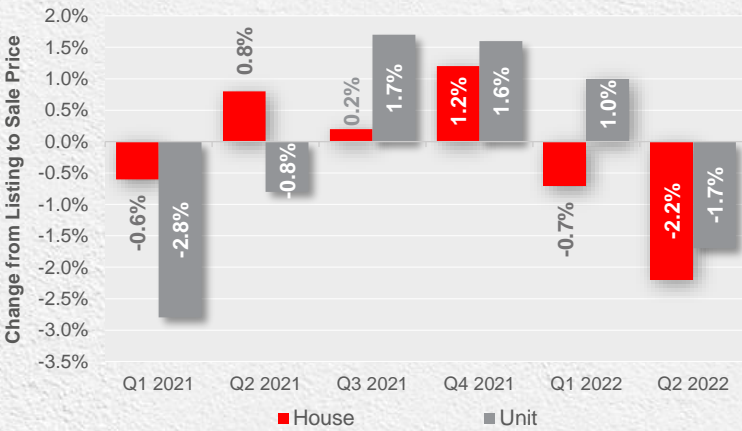
A main commercial project set to commence in the 2nd half of 2022, is the High Street Commercial Development (\$12.6M). This will provide 49 serviced apartments as well as 2 retail premises. A key industrial project is the Gardiner Street Industrial & Commercial Development (\$4.9M). Combined these will create new local jobs and ensure economic resilience.

Residential projects include the Lorikeet Street Dwellings (\$4.5M, 16 Dwellings), Newcastle Street Villas (\$1.2M, 7 villas) and Steam Street Apartments (\$6.0M, 23 apartments). This will replenish supply in Hunter Valley. However considering the current demand and supply imbalance, 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.

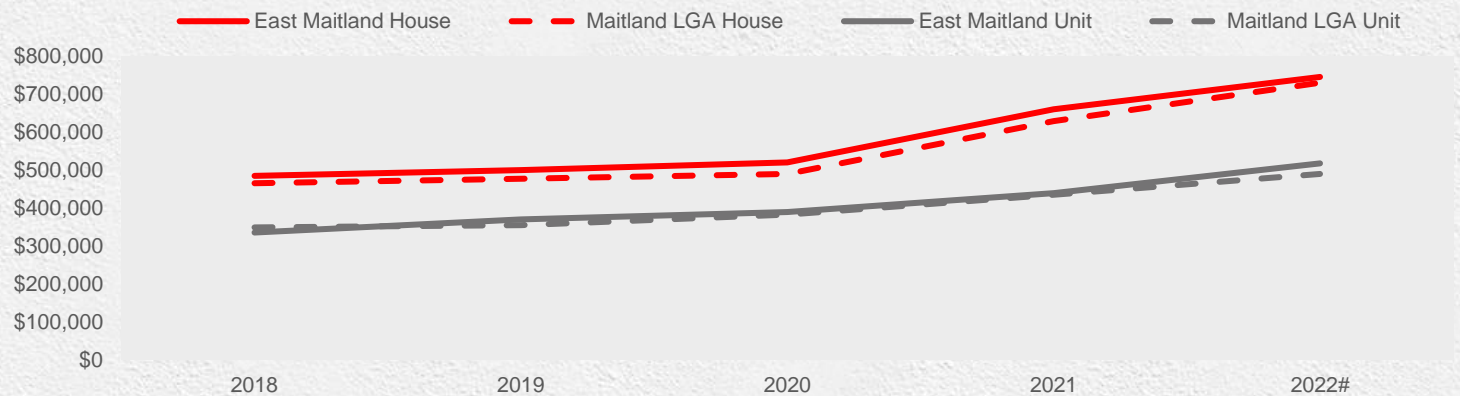


Average vendor house discount between Q2 2021 and Q2 2022 have swung to a discount of -2.2%, which does create an opportunity for buyers. Over the same period units has seen discounts widen to -1.7%. This suggest sellers are willing to negotiate below the first listing price, which creates a unique opportunity in a double digit growth median price increase market.

The suburb of East Maitland has historically performed closely to the wider Maitland Local Government Area (LGA) in both house and unit median prices. This continued to be the case in 2022#, with a smaller gap between median house and unit prices.

The dominant proportion of homes sold in Hunter Valley* across 2022# were in the middle-ranged price bracket of \$600,000 to \$699,999 (28.3%). Units recorded a dominant premium-range of above \$500,000 (39.1%). Affordable options are available, almost in similar levels for houses and units. Affordable options have continued to decline in the past 18 months.

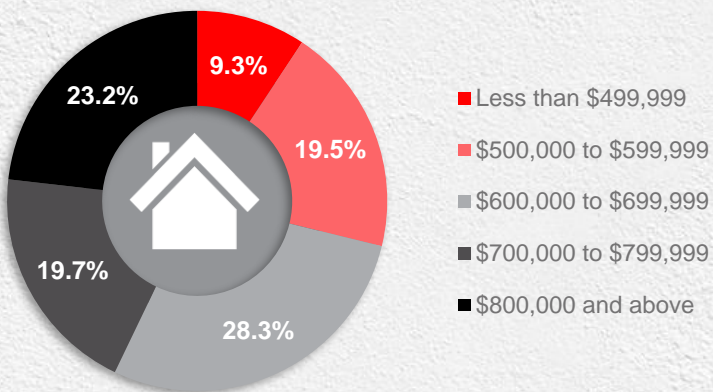
MARKET COMPARISON



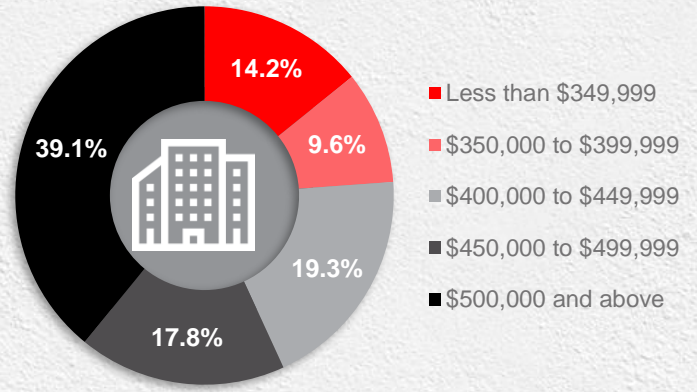
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is East Maitland.

PRICE BREAKDOWN 2022#

HOUSES SOLD



UNITS SOLD



RENTAL GROWTH 2022€

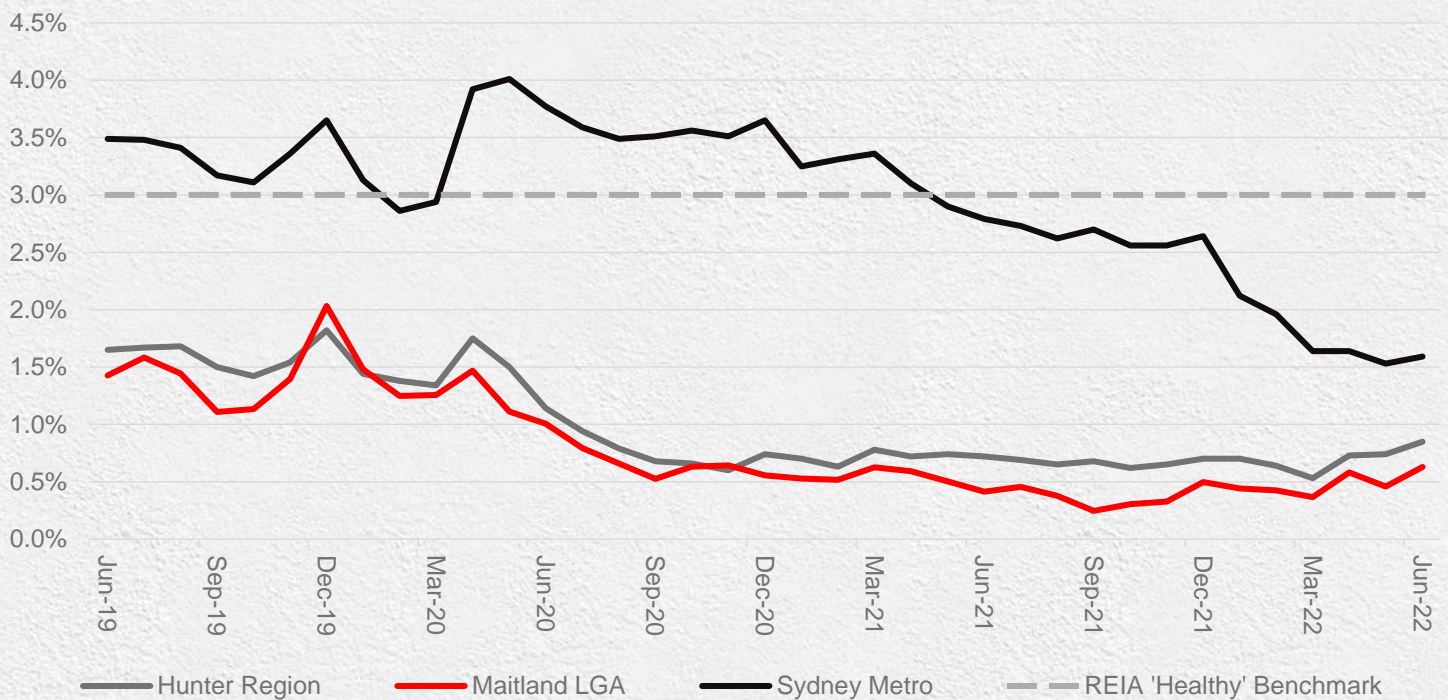
House rental yields in the Hunter Region was recorded at 3.6% in June 2022, much higher than Sydney Metro (2.5%). This was paired with a 14.6% increase in median house rental price (to \$550 per week) in the 12 months to Q2 2022 and a 25.5% increase in the number of houses rented (to 261 rentals in Q2 2022). A strong increase in median house rental price coupled with strong rental yields suggests the Hunter Region remains a beneficial market for investors.

4+ bedroom houses have provided investors with +16.0% rental growth annually, achieving a median rent of \$580 per week.

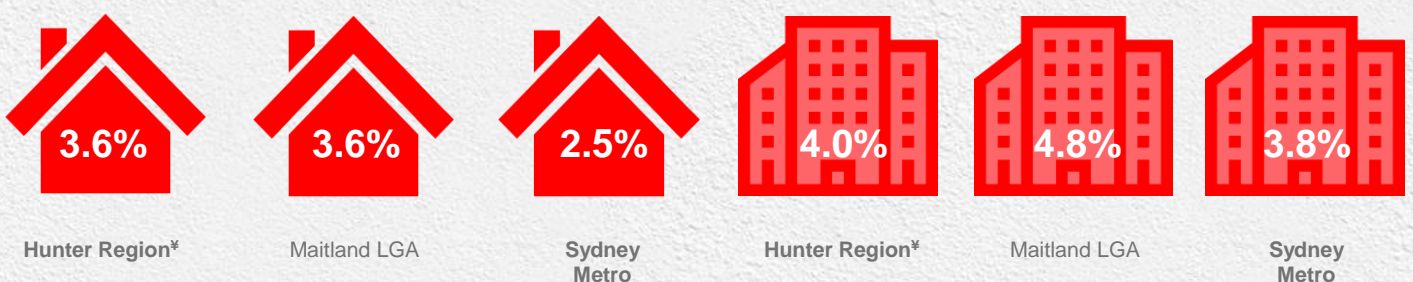
In June 2022, the Hunter Region recorded a vacancy rate of 0.9%, slightly above that of Maitland LGA (0.6%) but well below Sydney Metro (1.6%). Vacancy rates in the Hunter Region remain well below the Real Estate Institute of Australia's healthy benchmark of 3.0%. Low vacancy rates remains a feature for the Hunter Region, sitting under 1.0% for the past 18 months. There is a healthy level of rental demand and investors can be confident of a conducive investment environment.



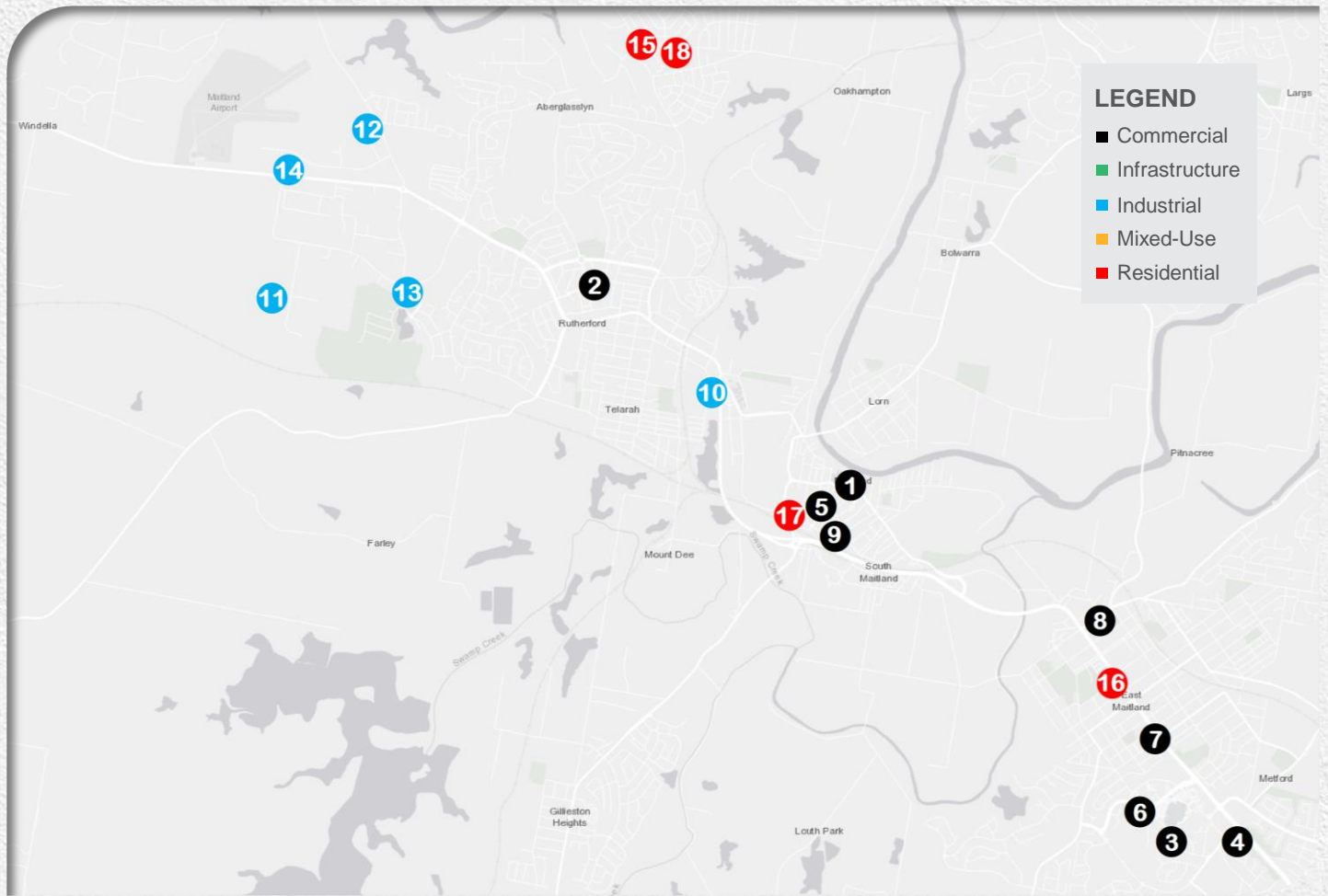
RENTAL VACANCY RATES 2022



RENTAL YIELD 2022\$



TOP DEVELOPMENTS MAP 2nd HALF 2022^A



Location	Project [£]	Type	Estimated Value ^µ	Commence Date ^ω
1	High Street Commercial Development	Commercial	\$12,607,000	31/07/2022
2	Fairview Street Boarding House	Commercial	\$800,000	19/11/2022
3	38-40 Stronach Avenue Civil & Industrial Development	Commercial	\$1,059,000	04/11/2022
4	Maitland Private Hospital	Commercial	\$1,500,000	16/11/2022
5	Church Street Boarding House	Commercial	\$1,600,000	06/12/2022
6	Mitchell Drive Medical Centre	Commercial	\$1,712,000	22/09/2022
7	Newcastle Street Health Consulting Rooms	Commercial	\$495,000	15/08/2022
8	The Bank Hotel	Commercial	\$495,000	21/07/2022
9	Elgin & Steam Streets Serviced Apartment Building	Commercial	\$3,342,000	08/08/2022
10	Bunnings Maitland	Industrial	\$2,500,000	08/09/2022
11	Gardiner Street Industrial & Commercial Development	Industrial	\$4,938,000	26/11/2022
12	Spitfire Place Warehouse Units	Industrial	\$839,000	08/12/2022
13	Storage King Rutherford	Industrial	\$6,379,000	26/11/2022
14	Kennards Hire Warehouse & Office	Industrial	\$1,800,000	16/08/2022
15	Lorikeet St Dwellings (16 dwellings)	Residential	\$4,500,000	01/12/2022
16	Newcastle Street Villas (7 villas)	Residential	\$1,259,000	24/11/2022
17	Steam Street Apartments - Cheeva Apartments (23 apartments)	Residential	\$6,000,000	16/08/2022
18	Aberglasslyn Road Units (15 units)	Residential	\$1,800,000	15/12/2022

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.

2022 encapsulates sales transactions for 1H 2022 (01/01/2022 – 30/06/2022) only.

€ Annual rental growth is a comparison between 1H 2021 (01/01/2021 – 30/06/2021) and 1H 2022 (01/01/2022 – 30/06/2022) house median rent figures.

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

§ Rental yields shown are as reported as of June 2022.

⌘ 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, 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 Pricfinder, Cordell Connect database, SQM Research, Esri ArcGIS.

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