



The Hills Shire Council Market Update 2nd Half 2022



OVERVIEW

In Q2 2022, The Hills* recorded a median house price of \$1,790,000, and a median unit price of \$900,000. This represents annual (Q2 2021 – Q2 2022) median price growth of 8.5% for houses and 7.1% for units. Total sales declined between Q2 2021 – Q2 2022, by -36.9% (to 514 sales) for houses and by -46.4% for units (to 141 sales). 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 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

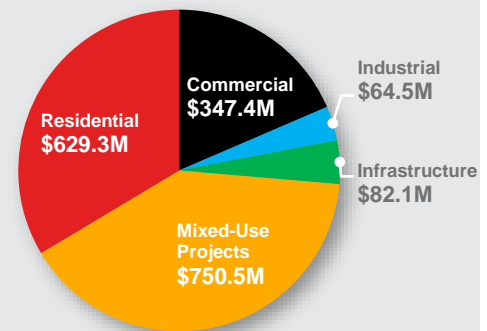


RENTAL AVERAGE DAYS ON MARKET Q2 2022



FUTURE DEVELOPMENTS

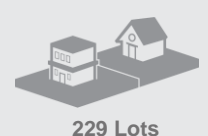
The Hills is set to see approximately **\$1.8B** worth of new projects commencing in the 2nd half of 2022.



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

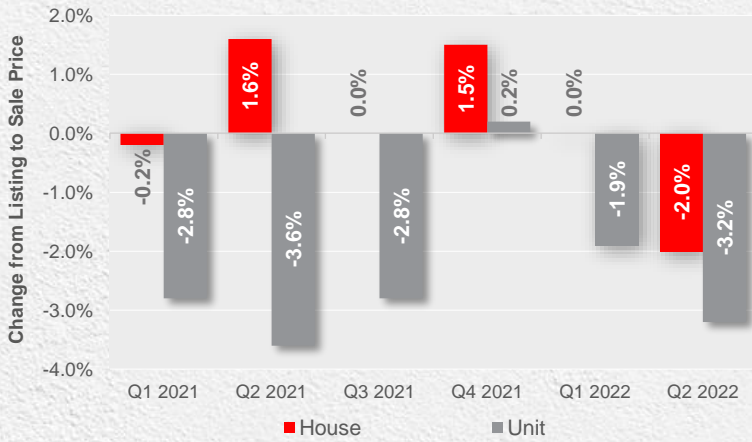
A main commercial project over the 2nd half of 2022 is the Lexington Drive Commercial Development (\$91.3M). This development will create 51 serviced apartments and 16,500sqm of space for offices.

A key mixed-use development is the Norwest Quarter – Banksia & Lacebank development (\$157.7M). This development will bring 196 apartments and 3,367sqm of space for commercial, community, and retail purposes. Key residential projects include: Castle Island (\$134.6M, 294 units), Alessandra Drive Dwelling & Residential Sub-division (\$28.7M, 63 dwellings), and Terry Road Apartments (\$99.5M, 311 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.

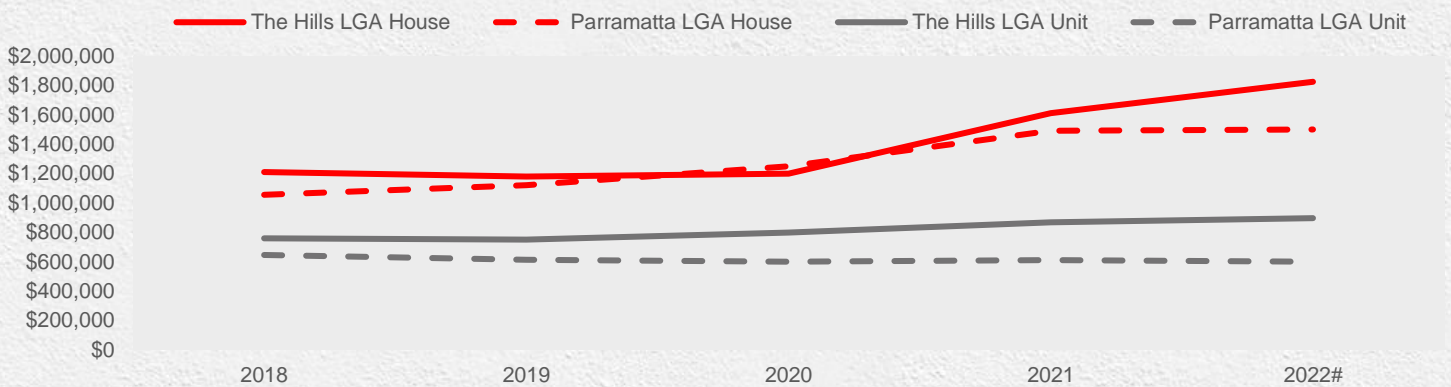


Average vendor discounts between Q2 2021 and Q2 2022 have rapidly shifted for houses, swinging from a premium to a -2.0% discount on the initial listing price. Units have remained relatively stable at -3.2%. The swing to discount for houses suggest benefits for buyers of both property types, as sellers are willing to accept lower than the first list price. This creates opportunity for both sellers and buyers, as median sale prices have continued to increase.

The Hills Shire Council has recently outperformed it's neighbouring Parramatta Council for median house prices, and have continued to outperformed them for median unit prices.

The dominant proportion of homes sold in The Hills Shire* across 2022# were in the premium price bracket of above \$1,900,000 (42.0%). Units also recorded a dominant premium price point of above \$950,000 (44.1%). Overall there is a property for each budget, but affordable options have declined in the past 18 months.

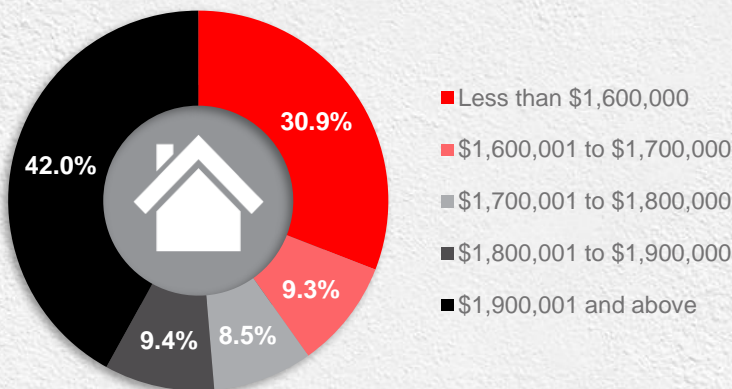
MARKET COMPARISON



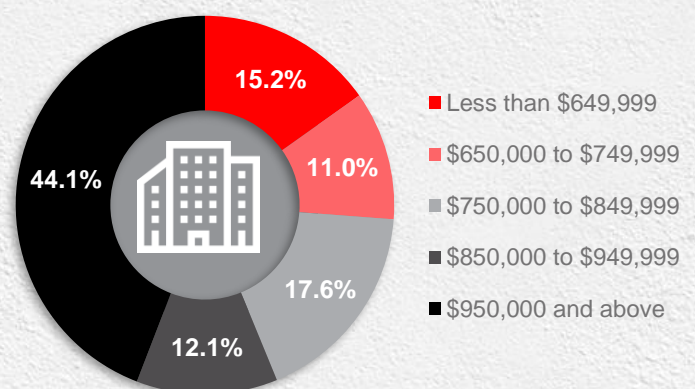
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. Parramatta Council LGA was profiled and chosen as a comparison based on its proximity to the Hills Shire Council LGA.

PRICE BREAKDOWN 2022#

HOUSES SOLD



UNITS SOLD

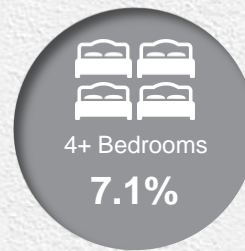
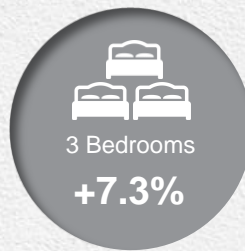
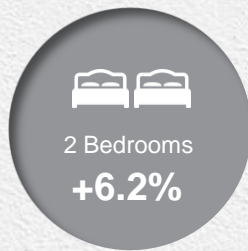


RENTAL GROWTH 2022€

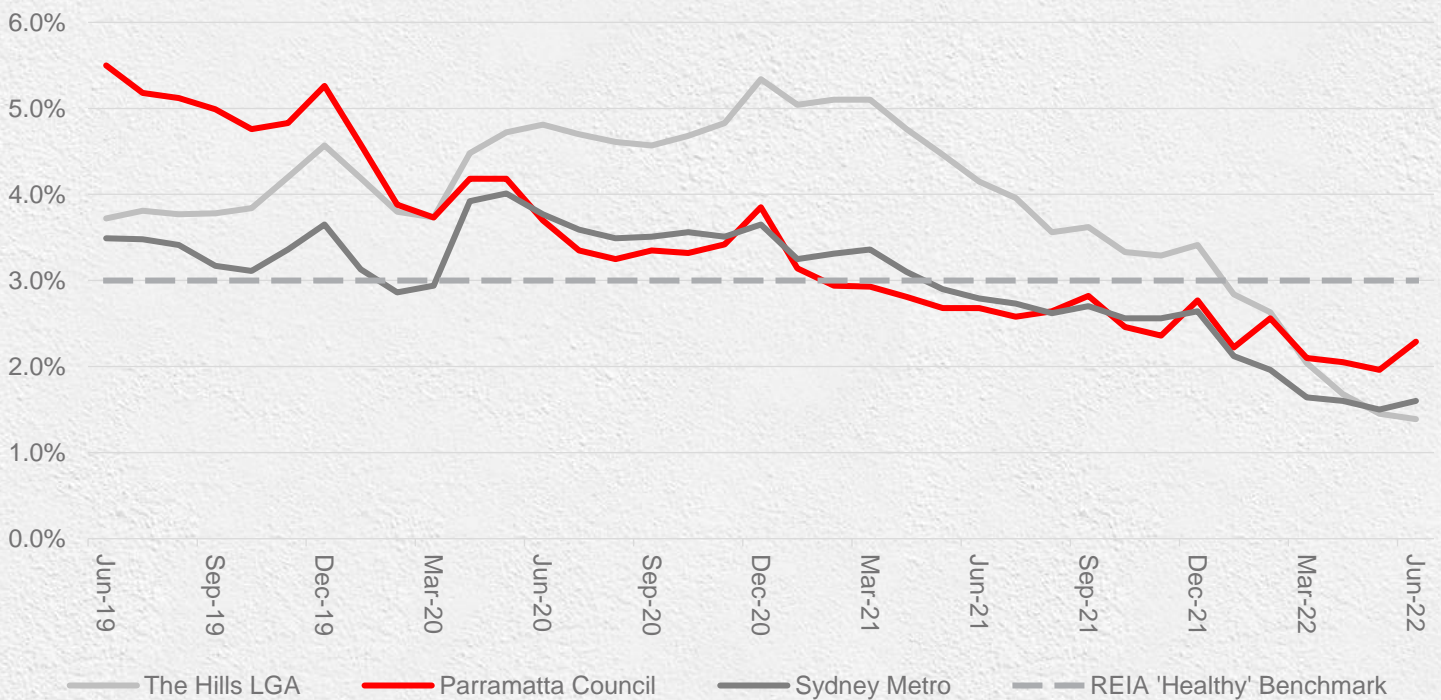
In June 2022, house rental yields in The Hills Shire* were recorded at 2.3%. In the 12 months to Q2 2022, median house rental price increased by 9.4% to reach \$700 per week, despite a 6.1% increase (to 1,211) in the number of houses rented. Average days on the market remain the same at 23 days, indicating a highly demanded house rental market.

4+ bedroom houses have provided investors with +7.1% rental growth annually, achieving a median rent of \$750 per week.

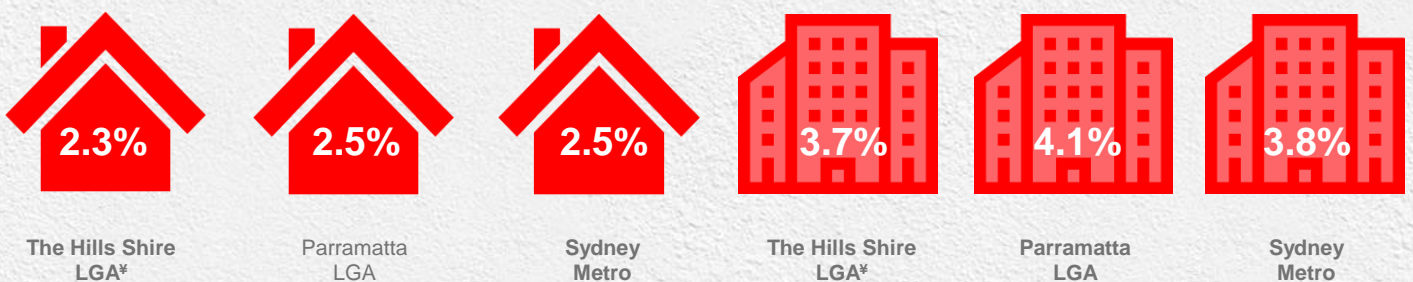
The Hills Shire* recorded a vacancy rate of 1.4% in June 2022, which is below Sydney Metro's 2.3% average. Vacancy rates in The Hills Shire* have crossed over to trend below the Real Estate Institute of Australia's healthy benchmark of 3.0% 18 months ago, and June 2022 records a historical low vacancy rate for the past 3 years. There is an increasing rental demand and properties are being occupied quicker, which secures rental income cash flow. Thus investors can be confident of a conducive investment environment in The Hills Shire*.



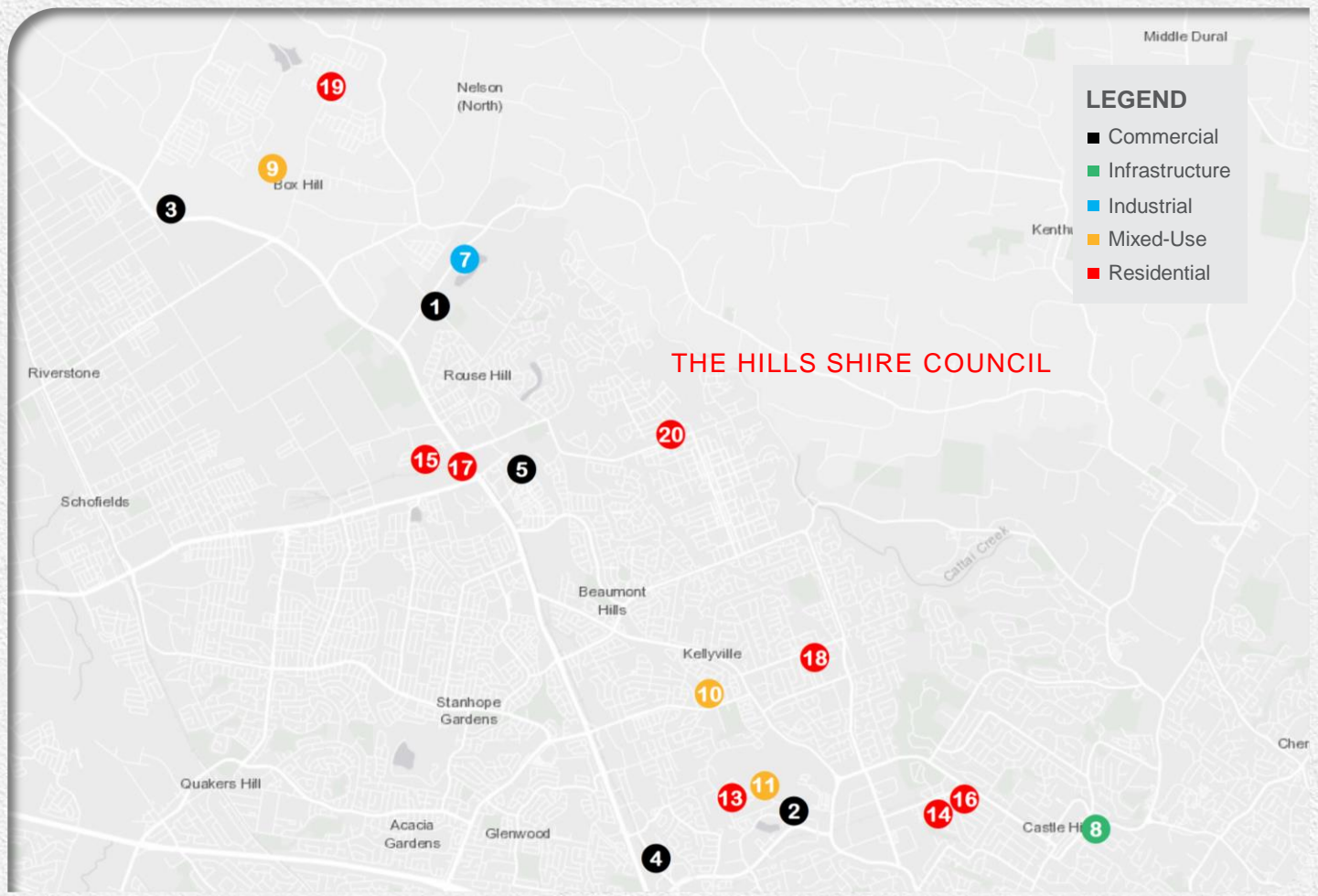
RENTAL VACANCY RATES 2022



RENTAL YIELD 2022\$



TOP DEVELOPMENTS MAP 2nd HALF 2022[Ⓐ]



Location	Project [£]	Type	Estimated Value [Ⓜ]	Commence Date [Ⓟ]
1	Annangrove Road Commercial Development - The Hills Hub	Commercial	\$25,000,000	27/10/2022
2	Maitland Place Commercial Development - Infinity Park	Commercial	\$33,913,000	09/09/2022
3	Carmel Village	Commercial	\$38,350,000	14/07/2022
4	Lexington Drive Commercial Development (58 Apartments)	Commercial	\$91,310,000	18/10/2022
5	Rouse Hill Town Centre Car Park	Commercial	\$44,306,000	12/10/2022
Not Mapped	Retreat At Wisemans Surf Lodge	Commercial	\$75,000,000	20/09/2022
7	Annangrove Road Mixed Use Development	Industrial	\$45,735,000	28/09/2022
8	Castle Hill Showground	Infrastructure	\$80,000,000	03/12/2022
9	Terry Road Mixed Development Site - Overall Masterplan	Mixed-use	\$472,881,000	08/12/2022
10	Sydney Metro Northwest Station Precinct Site A - Concept & Stage 1	Mixed-use	\$50,000,000	12/09/2022
11	Norwest Quarter - Banksia & Lacebank (196 Apartments)	Mixed-use	\$157,709,000	05/09/2022
1Not Mapped	Old Northern Road Mixed Use Development (44 Apartments)	Mixed-use	\$23,573,000	17/10/2022
13	The Orchards Norwest (130 Apartments)	Residential	\$60,000,000	01/07/2022
14	Ashford & Partridge Avenues Apartments - The Ashford (272 apartments)	Residential	\$86,331,000	04/07/2022
15	Terry Road Apartments Collection - Rouse Hill (311 apartments)	Residential	\$99,575,000	18/08/2022
16	Castle Island (294 Units)	Residential	\$134,633,000	05/09/2022
17	Verset Apartments Stage 2 (141 Units)	Residential	\$30,000,000	01/10/2022
18	Alessandra Drive Dwellings & Residential Subdivision (63 Dwellings, 63 Lots)	Residential	\$28,750,000	24/12/2022
19	Terry Road Units (103 Units)	Residential	\$25,073,000	03/09/2022
20	Withers Rd Mixed Development (59 Apartments)	Residential	\$22,148,000	10/12/2022



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

* The Hills Shire Council market data and key indicators encapsulates aggregate property market conditions within the postcodes of 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.

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.

¥ 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 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 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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