



Ballarat Market Update

2nd Half 2022



OVERVIEW

In Q2 2022, Ballarat*, which in this report represents postcodes 3350,3356 & 3355; recorded a median house price of \$600,000, and a median unit price of \$395,000. This represents annual (Q2 2021 – Q2 2022) median price growth of 17.5% for houses and 13.3% for units. Total sales decreased between Q2 2021 – Q2 2022, by -19.7% (to 452 sales) for houses and by -34.1% for units (to 87 sales). The market is undersupplied, as price growth is alongside lower sales volume. Owners can benefit from real returns on investment, and the imbalance in supply and demand can provide a buffer to rising cash rates.

	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

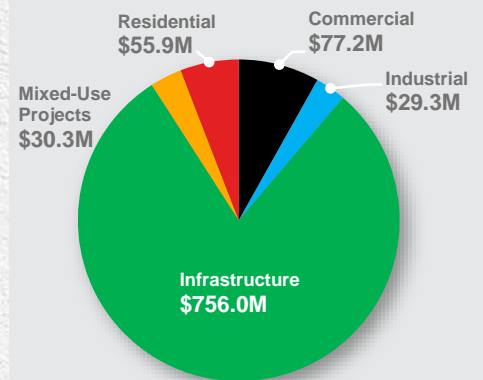


RENTAL AVERAGE DAYS ON
MARKET Q2 2022



FUTURE DEVELOPMENTS

Ballarat Local Government Area is set to see approximately **\$948.6M** worth of new projects commencing in the 2nd half of 2022.



A focus on infrastructure and commercial projects will create employment opportunities in Ballarat*, This will boost the local economy and have an impact the real estate market in terms of an increase in housing demand..

The Ballarat Hospital is a key project that is scheduled to commence in the 2nd half of 2022. This will improve available amenities to residents.

There are quite a few projects that will add to housing stock, including:

- Ballarat-Claringham Rd Residential Subdivision (\$16.0M, 318 lots)
- Joseph St Dwellings (\$8.5M, 40 dwellings)
- 4 Lyons St Mixed Use Project (\$19.5M, 3 townhouses, 59 units).

These projects will answer demand, which is good news for buyers.



59 Units/
Apartments



6
Townhouses



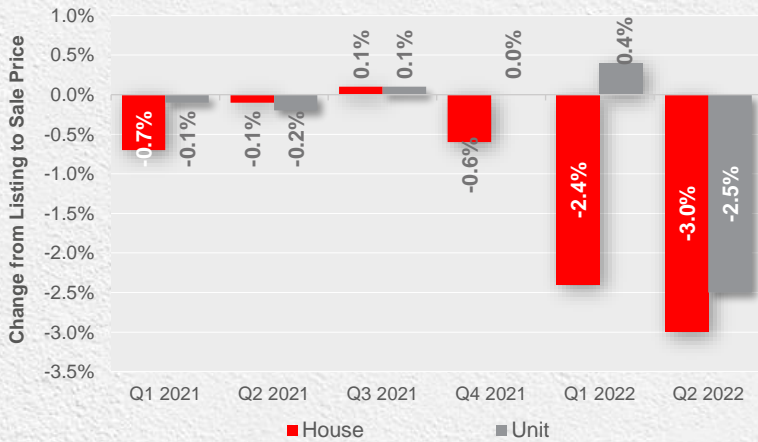
132
Dwellings



439 Lots

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.

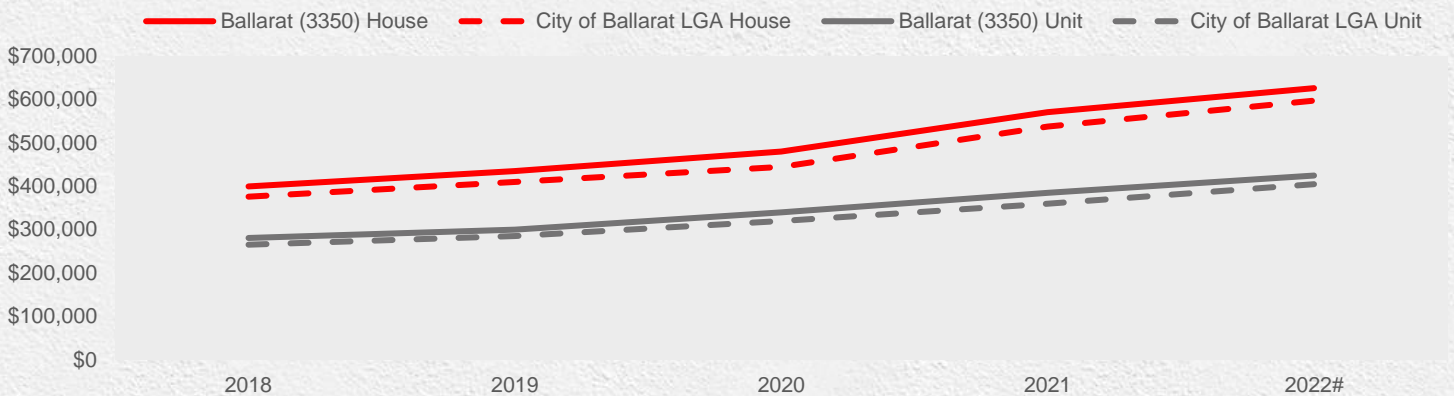


Average vendor discounts between Q2 2021 and Q2 2022 have widened for both property types, to higher discounts of -3.0% for houses and -2.5% for units. Market conditions in Ballarat* suggest an opportunity for buyers, as vendors are willing to accept below the initial listing price. This can counter-act the current increase in prices, improving affordability for first home buyers.

The suburb of Ballarat has historically outperformed the wider Ballarat Local Government Area (LGA) in both house and unit median prices. This continued to be the case in 2022#.

The dominant proportion of homes sold in Ballarat* across 2022# were in the more affordable price point of below \$549,000 (39.7%). Units recorded a lower-middle price point between \$350,000 and \$449,999 (46.1%). Affordable options are available, especially in the unit market (combined). That said the premium market in Ballarat* have continued to grow, especially for houses, with 12.5% of the market sold at \$850K and above.

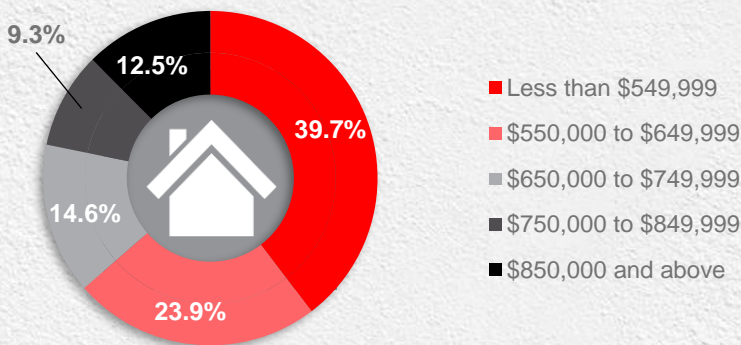
MARKET COMPARISON



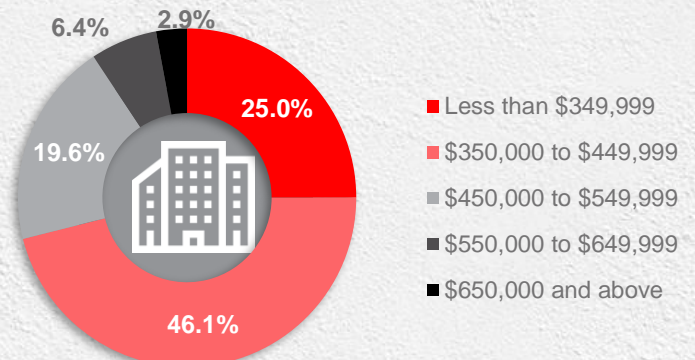
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Ballarat.

PRICE BREAKDOWN 2022#

HOUSES SOLD



UNITS SOLD

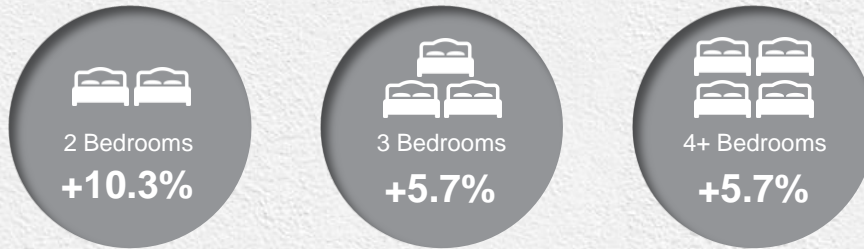


RENTAL GROWTH 2022€

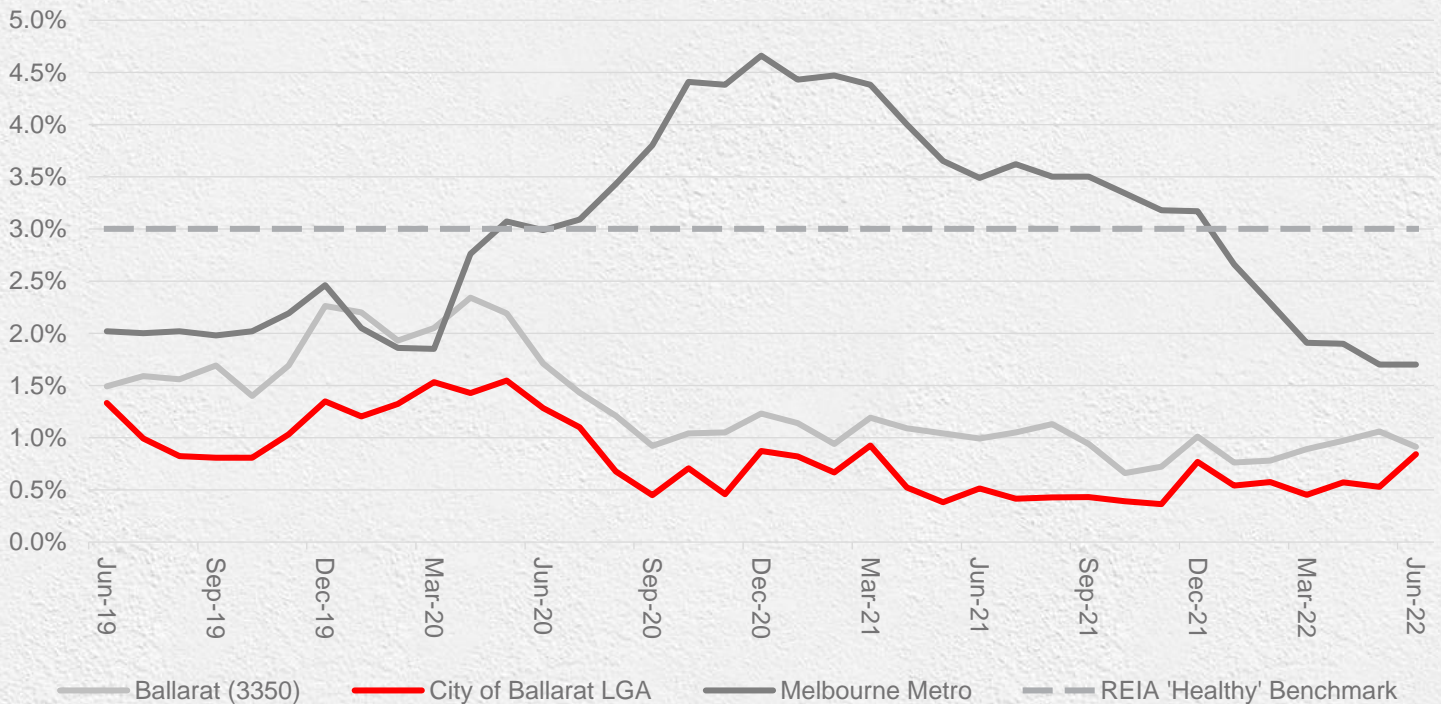
House rental yields in Ballarat* was at 3.3% in June 2022, higher than Melbourne Metro (2.5%). This was paired with a 6.9% increase in median house rental price between Q2 2021 – Q2 2022 and an 8.9% increase in the number of houses rented. This suggests a highly demanded market, as renters are willing to accept higher rents despite the availability of houses for rent. This is an expected dynamic shift in the market, as there has been a decrease in property sales.

2 bedroom houses have provided investors with +10.3% rental growth annually, achieving a median rent of \$320 per week.

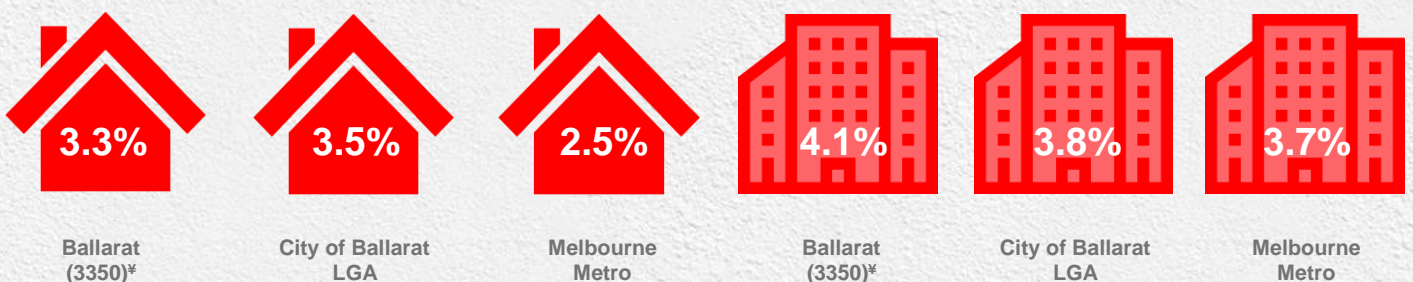
Ballarat* recorded a vacancy rate of 0.9% in June 2022, which is well below Melbourne Metro's 1.7% average. Vacancy rates in Ballarat* have held steady over the past 12 months, trending within the 1.0% band. This suggests quick occupancy due to stable rental demand. These key indicators create a conducive and sustainable environment for investors, despite the increase in median sale prices of property over the past 12 months.



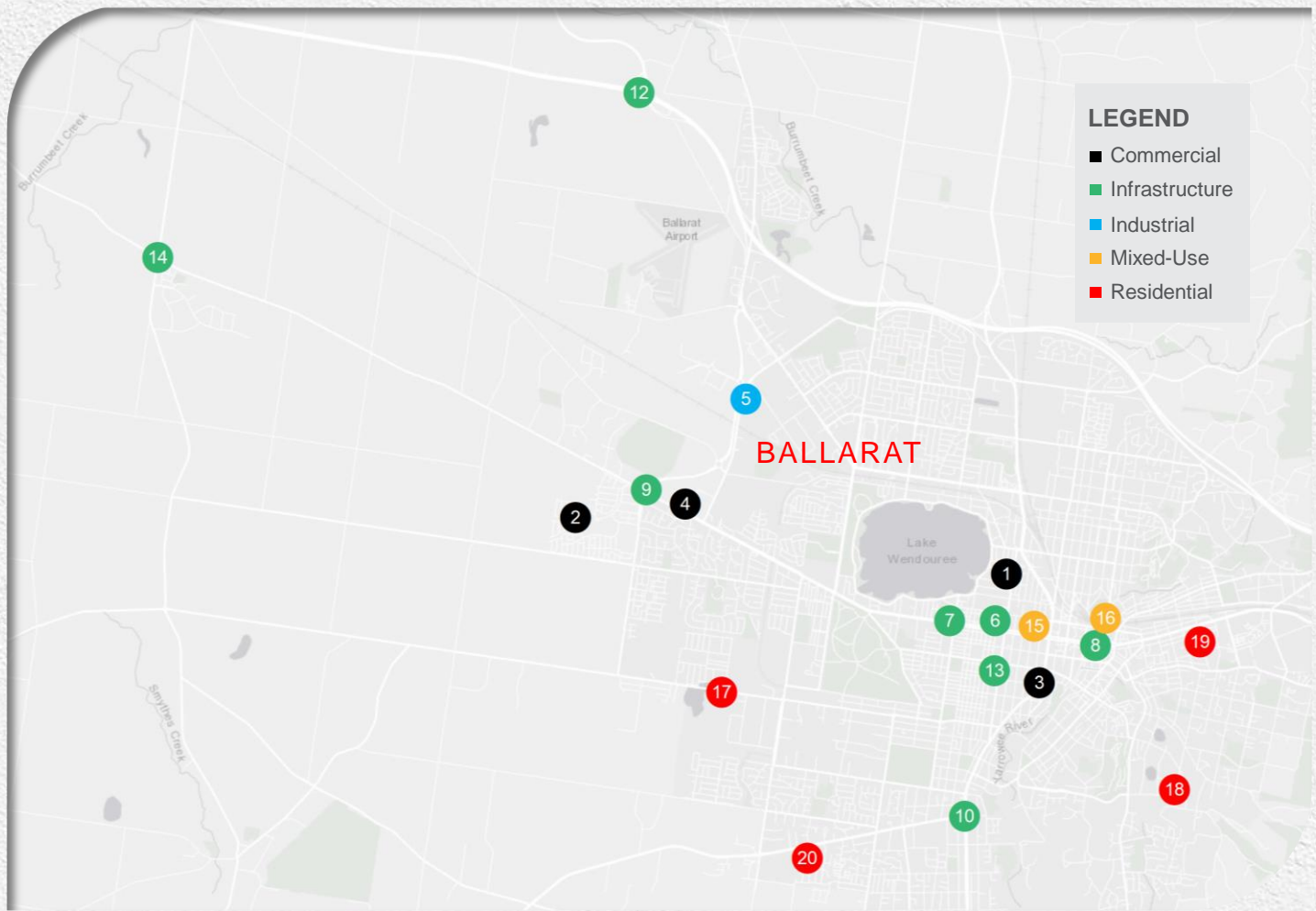
RENTAL VACANCY RATES 2022



RENTAL YIELD 2022\$



TOP DEVELOPMENTS MAP 2nd HALF 2022^A



Location	Project [£]	Type	Estimated Value [£]	Commence Date ^ψ
1	Sturt Street & Endeavour Way Commercial & Industrial Development	Commercial	\$4,200,000	22/08/2022
2	St John Of God Ballarat Hospital Redevelopment Stage 1	Commercial	\$40,000,000	05/11/2022
3	Lyons Street Rooming House Ballarat Extension	Commercial	\$4,500,000	18/11/2022
4	10 Fawcett Road Lucas Early Parenting Centre Ballarat	Commercial	\$11,500,000	19/12/2022
5	Foodbank Victoria Ballarat West Employment Zone	Industrial	\$5,000,000	01/11/2022
6	Ballarat Base Hospital	Infrastructure	\$541,600,000	22/08/2022
7	Ballarat Base Hospital Diagnostics Relocation	Infrastructure	\$4,500,000	13/07/2022
8	Hertford Street (Glenelg Highway) & Albert Street (Midland Highway) Intersection	Infrastructure	\$5,000,000	05/12/2022
9	Glenelg Highway & Eurambeen Streatham Road Intersection Roundabout	Infrastructure	\$5,000,000	15/08/2022
10	Western Highway Learmonth Road & Howe Street Roadworks	Infrastructure	\$5,000,000	15/09/2022
11	Rememberance Drive & Madden Road Roundabout	Infrastructure	\$3,000,000	09/08/2022
12	Ballarat West (Bwez) Freight Hub Terminal	Infrastructure	\$9,100,000	21/08/2022
13	Delacombe Estate Social Housing	Infrastructure	\$50,300,000	28/11/2022
14	Ballarat Base Hospital Central Energy Plant & Support Services - Stage 2	Infrastructure	\$125,000,000	05/12/2022
15	Peel Street North Mixed Use Development	Mixed-use	\$10,000,000	11/08/2022
16	Ballarat-Carngham Road Residential Subdivision (318 Lots)	Residential	\$16,000,000	22/08/2022
17	Specimen Vale South Dwellings (16 Dwellings)	Residential	\$4,500,000	12/12/2022
18	4 Lyons Street North Mixed Use Development (59 Units, 3 Townhouses)	Residential	\$19,500,000	22/07/2022
19	3 Maestro Court Dwellings (14 Dwellings)	Residential	\$4,200,000	16/10/2022
20	Joseph Street Dwellings (40 Dwellings)	Residential	\$8,500,000	11/07/2022

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

*Ballarat represents aggregate property market conditions in the postcode of 3350,3356 & 3355

** 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.

¥ Ballarat market data encapsulates aggregate property conditions within the postcode of 3350.

§ 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 within the Ballarat Local Government Area.

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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