



# Mildura Market Update

## 2<sup>nd</sup> Half 2022



### OVERVIEW

In Q3 2022, Mildura\* recorded a median house price of \$427,500, and a median unit price of \$305,000. This represents annual (Q3 2021 – Q3 2022) median price growth of 12.1% for houses and 18.4% for units. However on a quarter-by-quarter basis (Q2 2022 – Q3 2022) median price growth softened by -2.8% for houses and by -4.7% for units. This reflects interest rate hikes translating into the market. Total sales decreased between Q3 2021 – Q3 2022, by -26.8% (to 131 sales) for houses and remained stable for units (at 50 sales). Market conditions suggest opportunities for sellers and buyers.

	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 Q3 2022



#### SALES AVERAGE DAYS ON MARKET Q3 2022



#### RENTAL MEDIAN PRICE Q3 2022

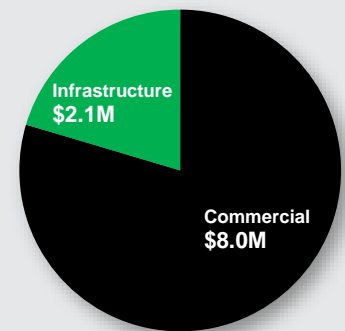


#### RENTAL AVERAGE DAYS ON MARKET Q3 2022



### FUTURE DEVELOPMENTS

Mildura is set to see approximately **\$10.1M** worth of new projects commencing in the 2<sup>nd</sup> half of 2022.



A focus on commercial projects will stimulate the economy and create jobs. Combined with infrastructure projects, which will improve liveability for residents, these planned projects combination can attract more people to the work and live in Mildura.

An absence in residential projects does allow for current stock to be absorbed, which may work well at present due the increasing cash rate environment. However given Q3 2022 recorded the lowest number of sales in the past 24 months, this is not a sustainable strategy; as it relies on current owners to sell. There is a need for a long term plan that adds to housing stock whilst the economy recovers

A key commercial project for the 2<sup>nd</sup> half of 2022 is Mallee Family Care (\$6.0M), which will construct a 4,000 sqm multi-level office space. This will be built on a greenfield site.

Another commercial development is Sunnyside Living (\$2.0M). This will add 13 x 1 bedroom aged care units at the corner of Thirteenth Street and Sunnyside avenue.

Infrastructure projects include works on footpath, roads, and upgrading a bridge; all of which will improve the liveability aspects of Mildura and will benefit current residents.

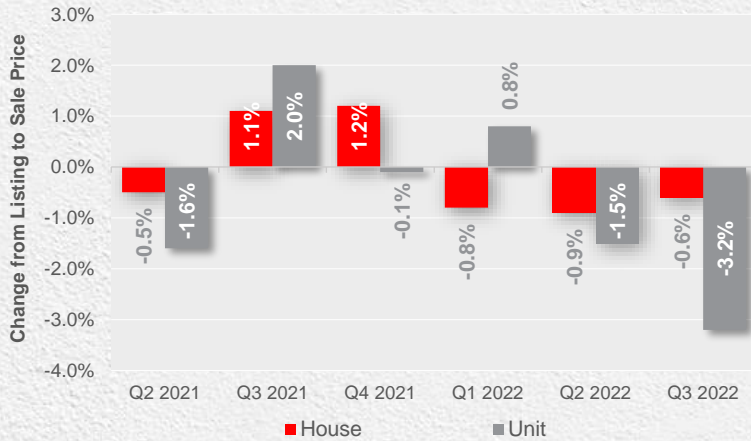
# AVERAGE VENDOR DISCOUNT\* KEY COMMENTS

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.

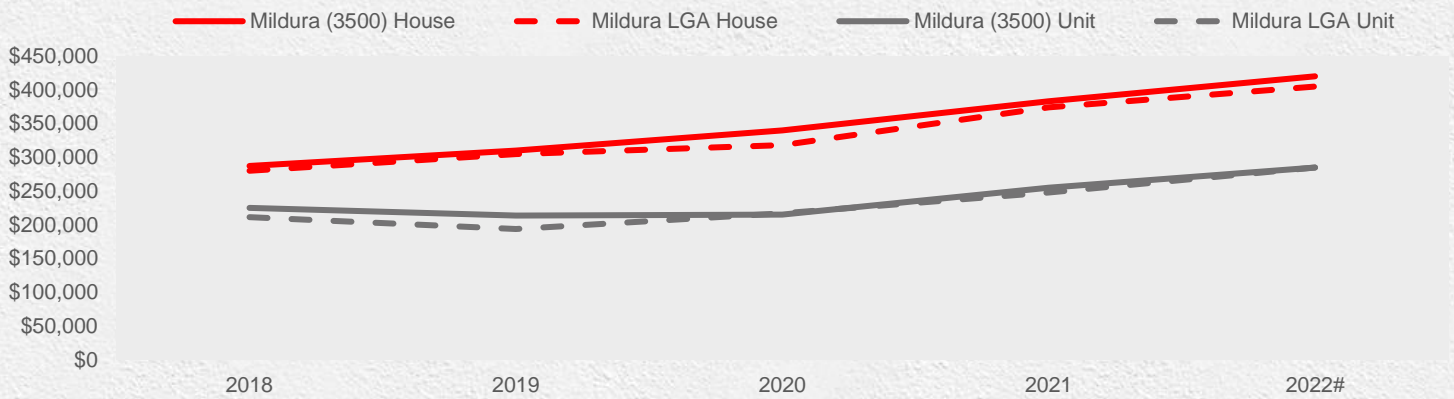
Average vendor discounts between Q3 2021 and Q3 2022 have rapidly swung to a discount for both property types, of -0.6% for houses and -3.2% for units. Market conditions in Mildura\* have now shifted to favour buyers, as sellers are accepting offers below the first list price. Q2 and Q3 2022 average vendor discounts is similar to what was experienced in mid-2021, indicating a return to the "normal market".

The suburb of Mildura has historically performed on par to the wider Mildura Local Government Area (LGA) in both house and unit median prices. This continued to be the case in 2022# with median price for both property types still generally trending upwards.

The dominant proportion of homes sold in Mildura\* across 2022# were in the most affordable price bracket of less than \$399,999 (45.8%). Units however recorded a dominant lower-middle price point of \$200,000 - \$299,999 \$800,000 (49.2%). The premium market is small in Mildura, accounting for less than 5.0% of sales.



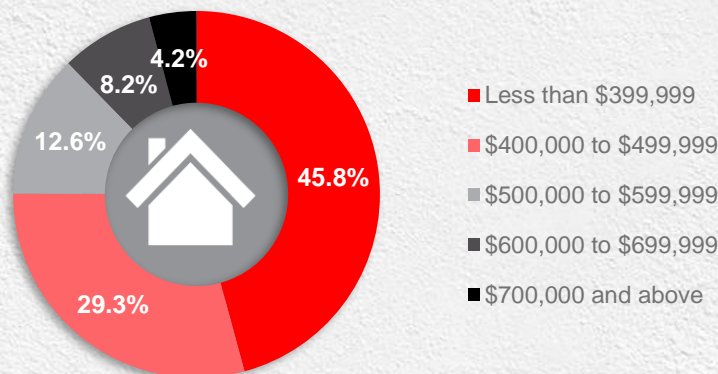
## MARKET COMPARISON



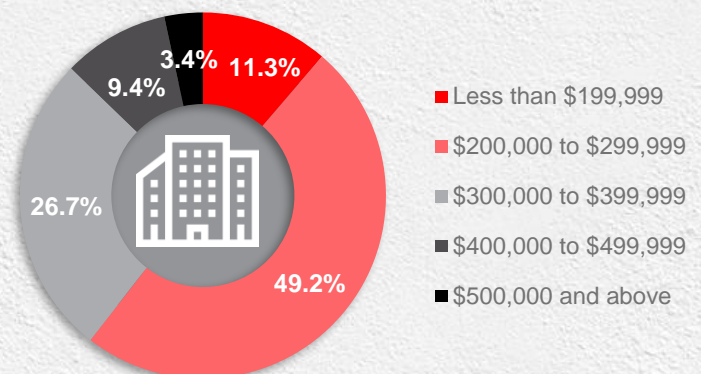
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled are chosen based on their proximity to the main suburb analysed, which is Mildura.

## PRICE BREAKDOWN 2022#

### HOUSES SOLD



### UNITS SOLD

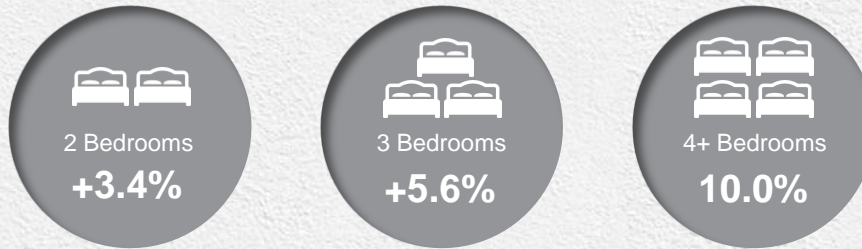


# RENTAL GROWTH 2022€

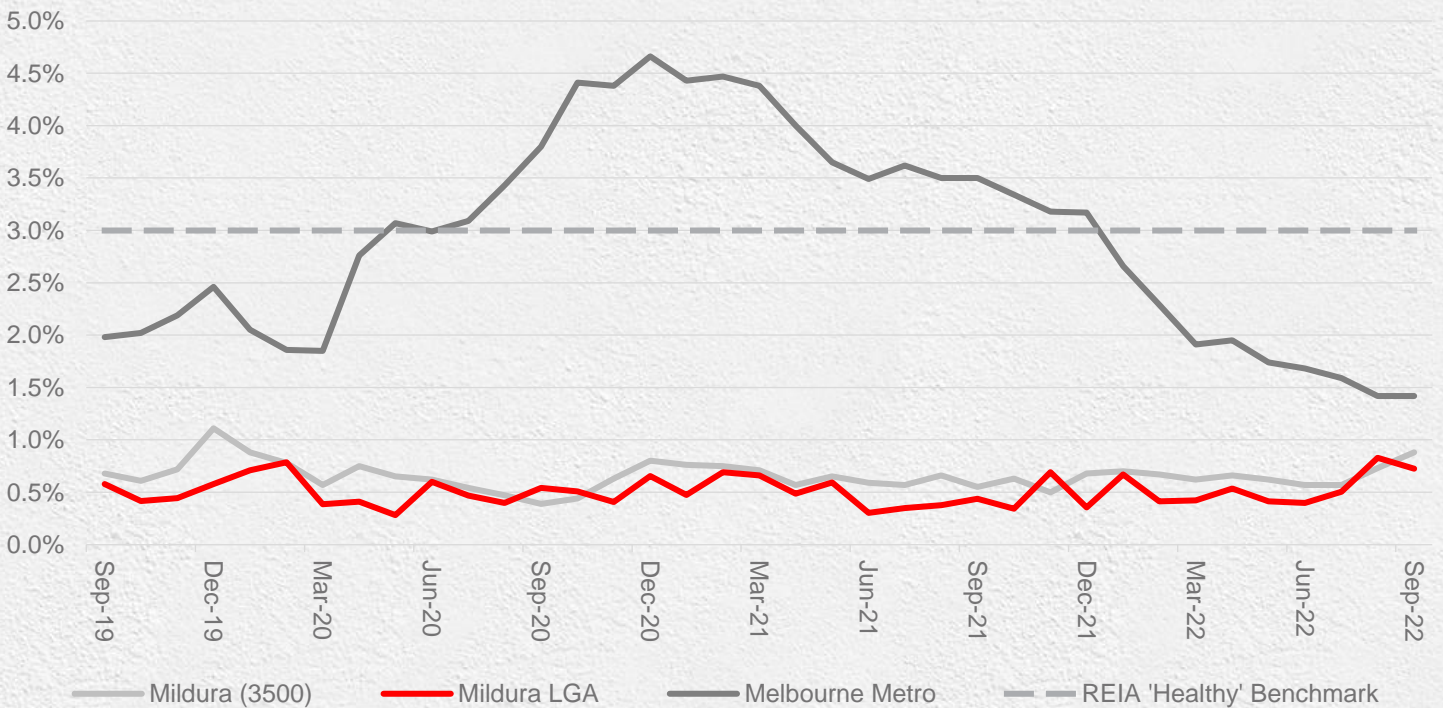
House rental yields in Mildura<sup>€</sup> was recorded at 4.9% in September 2022, higher than Melbourne Metro average (2.6%). This was paired with a 8.6% increase in median house rental price in the 12 months to Q3 2022, to \$380 per week, and a 14.9% increase in the number of houses rented. A similar trend is evident in Mildura's unit rental market, confirming the area as an attractive more affordable investment option compared to Melbourne Metro.

4+ bedroom houses have provided investors with +10.0% rental growth annually, achieving a median rent of \$400 per week.

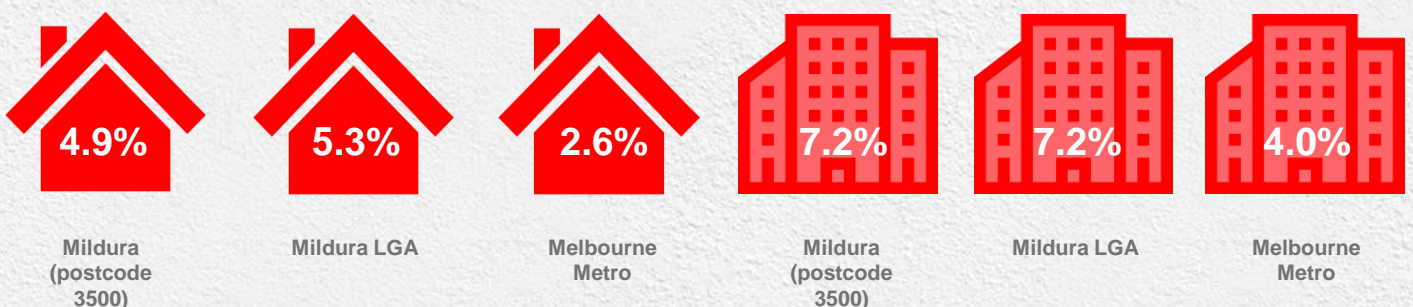
Mildura<sup>€</sup> recorded a vacancy rate of 0.9% in September 2022, below Melbourne Metro's 1.4% average. Vacancy rates in Mildura<sup>€</sup> have held steady over the past 24 months, trending within the 1.0% band rate. This indicates stability in its rental demand and quicker occupancy of rental properties. These key indicators create a conducive and sustainable environment for investors, particularly with the median property price downturn in the past quarter (Q2 2022 – Q3 2022).



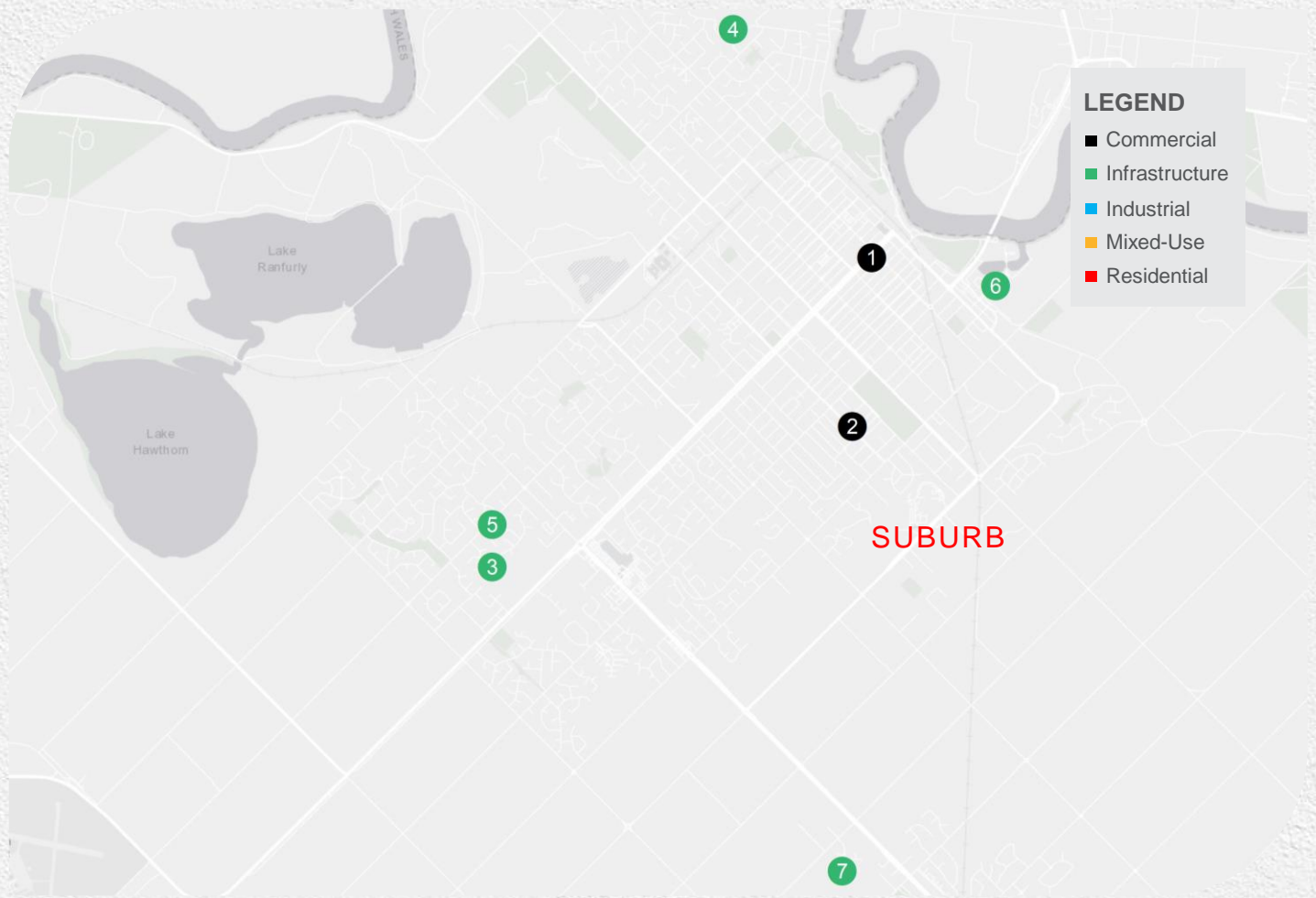
# RENTAL VACANCY RATES 2022



# RENTAL YIELD 2022\$



# TOP DEVELOPMENTS MAP 2<sup>nd</sup> HALF 2022<sup>Ⓐ</sup>



Location	Project <sup>£</sup>	Type	Estimated Value <sup>µ</sup>	Commence Date <sup>ψ</sup>
1	Mallee Family Care	Commercial	\$6,000,000	17/10/2022
2	Sunnyside Living	Commercial	\$2,000,000	18/11/2022
3	Mildura Rural City Council Footpath Works	Infrastructure	\$500,000	24/12/2022
4	Merle & Tarella Courts	Infrastructure	\$450,000	15/07/2022
5	Mildura Rural City Council Footpath, Kerb & Channel & Roadworks	Infrastructure	\$400,000	18/07/2022
6	Mildura Marina Bridge Upgrade	Infrastructure	\$400,000	20/12/2022
7	San Mateo, Hazel Avenues & Windsor Street Roadworks	Infrastructure	\$300,000	26/08/2022

## 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

\*Mildura market data and key indicators encapsulates aggregate property market conditions within the suburb of Mildura.

\*\* 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 2022 (01/01/2022 – 30/09/2022) only.

€ Annual rental growth is a comparison between 2021 (01/01/2021 – 30/09/2021) and 2022 (01/01/2022 – 30/09/2022) house median rent figures.

¥ Mildura market data encapsulates aggregate property conditions within Mildura (3500).

§ Rental yields shown are as reported as of September 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 suburb of Mildura.

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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