



Morisset Market Update

2nd Half 2022



OVERVIEW

In Q3 2022, Morisset recorded a median house price of \$846,000. This is an annual (Q3 2021 – Q3 2022) 19.0% median price growth. That said, on a quarter-to-quarter basis (Q2 2022 – Q3 2022), median house price softened by -2.8%. This is a reflection of interest rate hikes translating into the market. Total house sales decreased annually and quarterly, with Q3 2022 recording the lowest number of sales (97 sales). Median unit price softened by -21.4% annually, while on a quarter-to-quarter basis grew by 1.9%. New opportunities exist for buyers and sellers in both markets.

	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

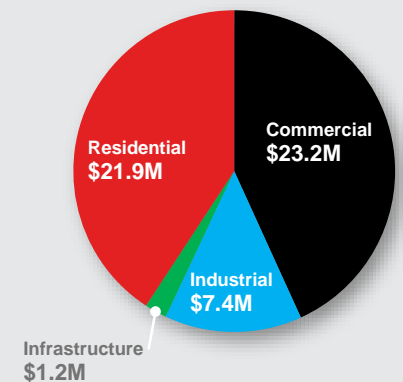


RENTAL AVERAGE DAYS ON
MARKET Q3 2022



FUTURE DEVELOPMENTS

Morisset is set to see approximately **\$53.7M** worth of new projects commencing in the 2nd half of 2022.



Commercial and industrial projects will further stimulate economic growth and create large employment opportunities in Morisset. This should have a positive spill-over impact on the real estate market. Residential projects ensure there is new stock to answer future demand.

A main residential project in the 2nd half of 2022 is Rosendahl & Alton Roads Residential Subdivision (\$18.0M). The project is set to add 215 lots after the reconfiguration of the current land.

The Freemans Drive Dwellings development (\$2.6M, 13 dwellings) will bring much needed ready-to-sell stand-alone housing supply to the Morisset market.

The Avondale Retirement Village (\$8.8M) is a significant commercial project that will construct 21 independent living units across 3 different buildings.



3
Townhouses



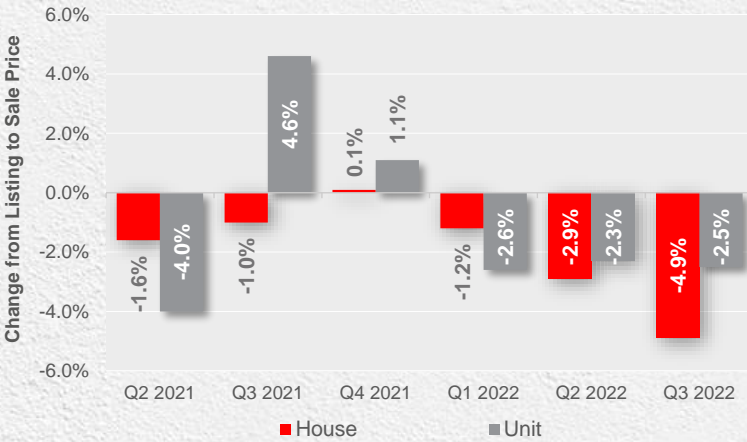
Dwellings



235 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.

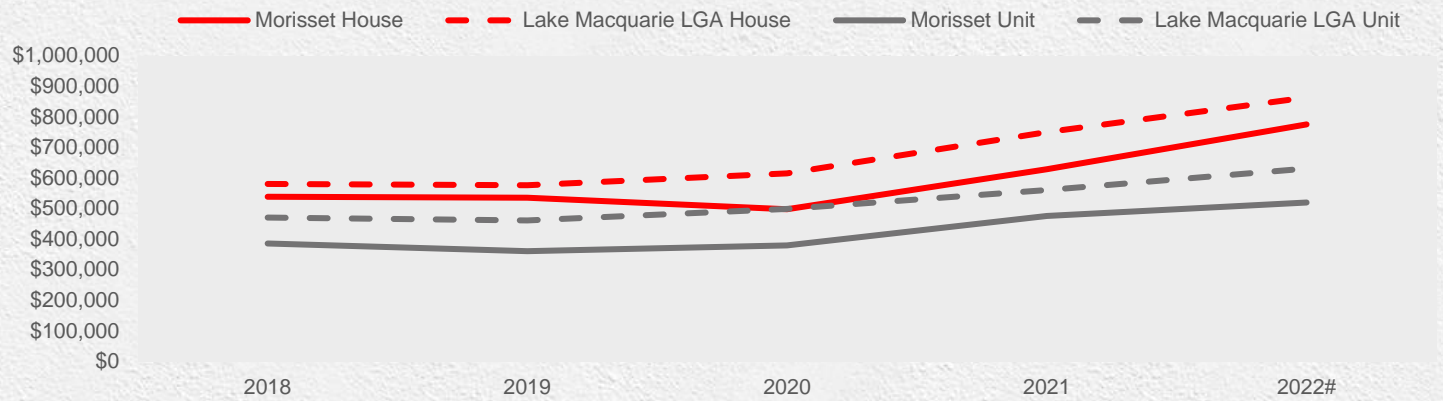


Average vendor discounts between Q3 2021 and Q3 2022 have rapidly shifted for both property types, to a wider discount of -4.9% for houses and -2.5% for units. Market conditions in Morisset have now shifted to favour buyers, as vendors are willing to offer below the initial listing price. This creates new opportunities for buyers.

The suburb of Morisset has historically offered a more affordable market compared to the Lake Macquarie Local Government Area (LGA), in both house and unit median prices. This continued to be the case in 2022#, despite both houses and units trending toward a more premium market.

The dominant proportion of homes sold in Morisset across 2022 were in the premium market of \$950,000 and above (29.1%). Units however recorded a dominant middle-price point between \$500,000 to \$549,999 (36.7%). As an overall there is a relatively balanced market in Morisset, with both affordable and premium options available to buyers with varying budgets.

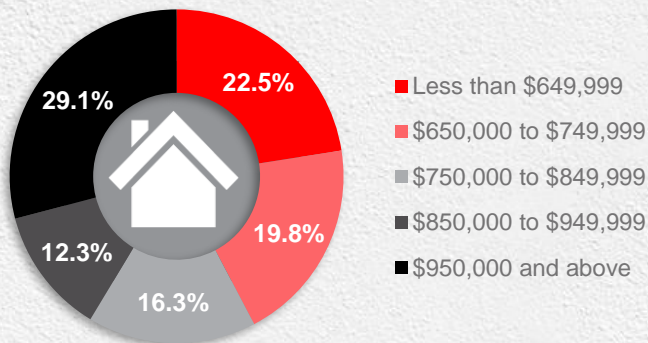
MARKET COMPARISON



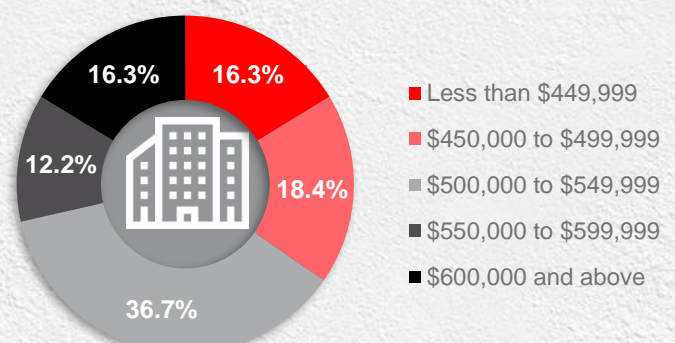
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Morisset.

PRICE BREAKDOWN 2022#

HOUSES SOLD



UNITS SOLD

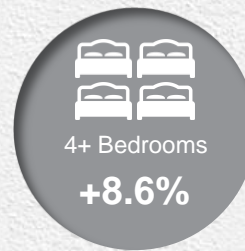


RENTAL GROWTH 2022€

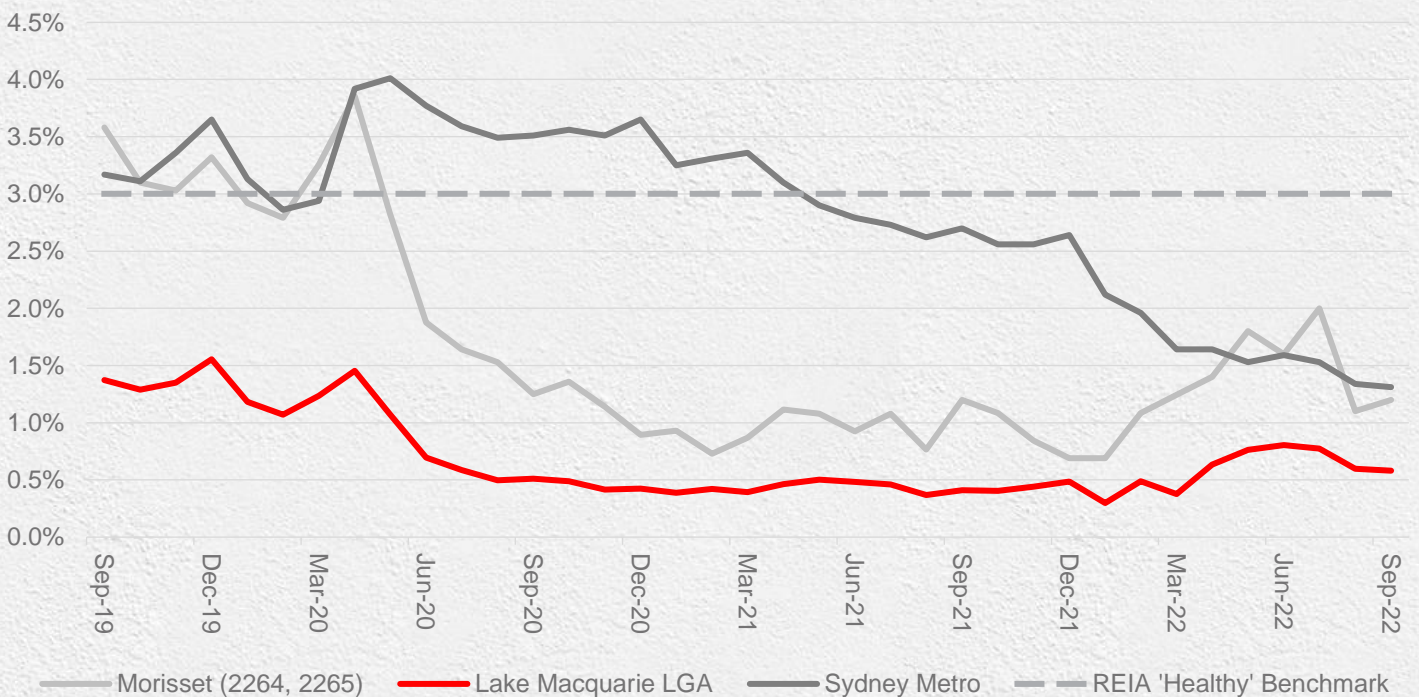
House rental yields in Morisset* were recorded at 3.9% in September 2022, well above Sydney Metro (2.6%). This was paired with a 9.1% increase in median house rental price in the past 12 months to Q3 2022, and a 26.1% (to 111 rentals) increase in the number of houses rented. Average days on the market remained low at 26 days. This confirms there is a healthy level of rental demand in Morisset*, thus a more attractive and affordable investment option compared to Sydney.

2 bedroom houses have provided investors with +13.5% rental growth annually, achieving a median rent of \$420 per week.

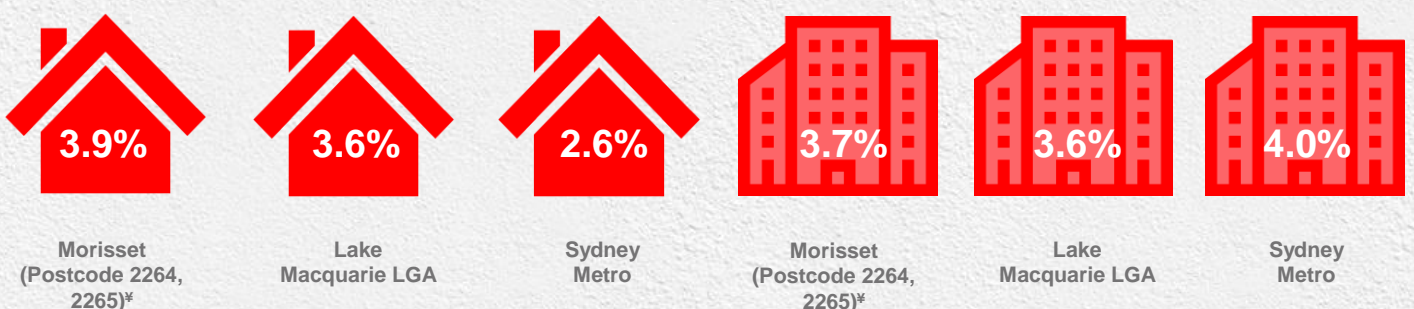
Morisset* recorded a vacancy rate of 1.2% in September 2022, which is slightly below Sydney Metro's 1.3% average. Vacancy rates in Morisset* have slightly fluctuated in the past 13 months. Although there was a slight uptick in the past 6 months vacancy rates in Morisset* have declined again, and still remain within the Real Estate Institute Australia's healthy benchmark of 3.0%. These key indicators create a conducive and high yielding environment for investors.



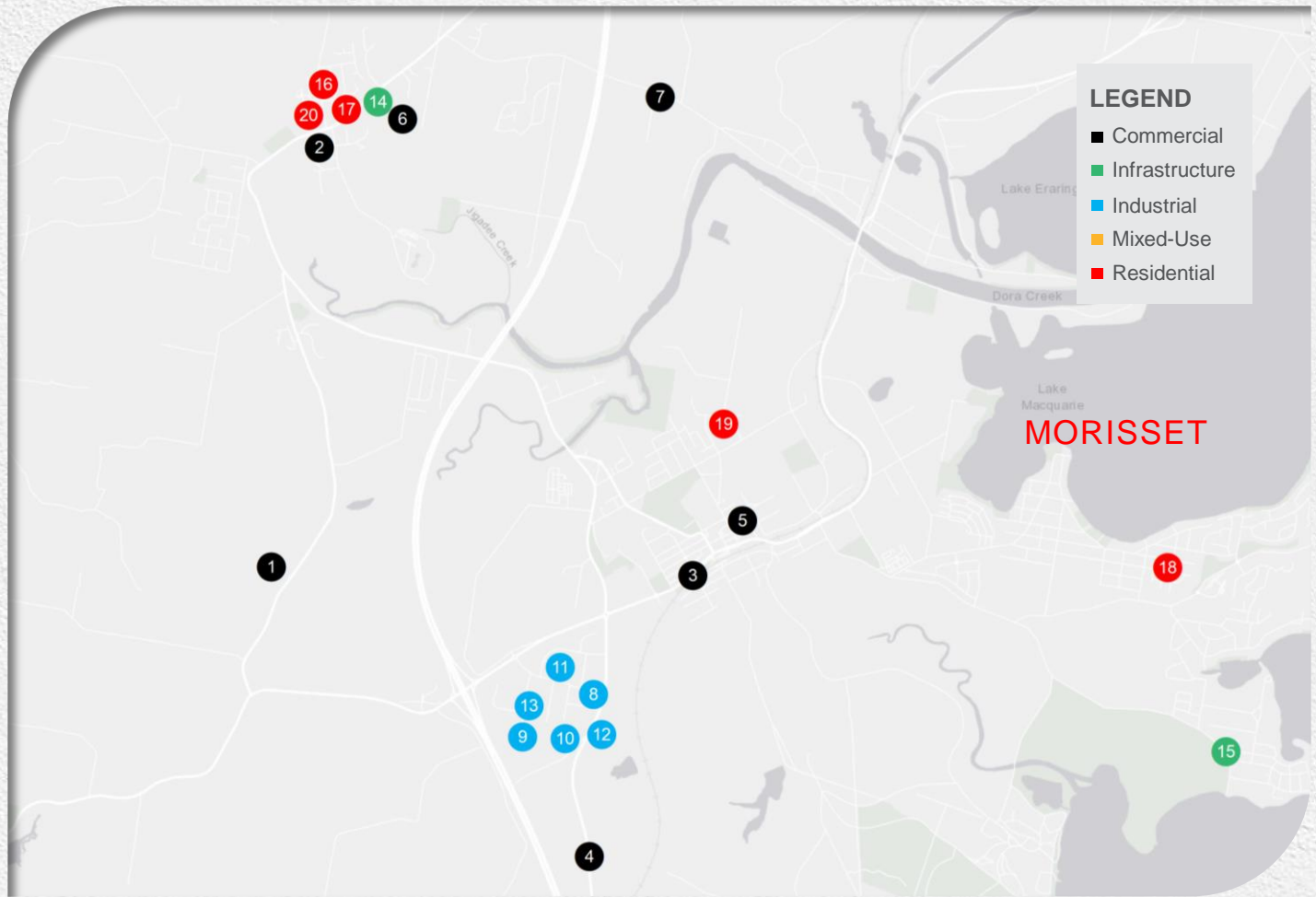
RENTAL VACANCY RATES 2022



RENTAL YIELD 2022\$



TOP DEVELOPMENTS MAP 2nd HALF 2022[Ⓐ]



Location	Project [£]	Type	Estimated Value [Ⓜ]	Commence Date [Ⓜ]
1	Game Farm Property	Commercial	\$450,000	18/08/2022
2	Avondale Retirement Village	Commercial	\$8,781,000	03/11/2022
3	Cedar Mill - Morisset	Commercial	\$8,522,000	21/10/2022
4	Cedar Mill - Dora Street Tourist Accommodation	Commercial	\$6,956,000	20/10/2022
5	Yambo Street Boarding House	Commercial	\$3,261,000	10/11/2022
6	Central Road & Victory Street Community Development	Commercial	\$2,500,000	10/11/2022
7	Jones Road Poultry Shed	Commercial	\$650,000	14/12/2022
8	Gateway Boulevard Industrial Building	Industrial	\$800,000	03/07/2022
9	60 Advantage Avenue Industrial Building	Industrial	\$1,020,000	30/11/2022
10	13 Prosperity Close Warehouse Building	Industrial	\$1,100,000	05/12/2022
11	5 Venture Close Industrial Building	Industrial	\$1,428,000	25/09/2022
12	9 Venture Close Warehouse	Industrial	\$2,431,000	23/08/2022
13	51-57 Advantage Avenue Industrial Units	Industrial	\$4,500,000	14/12/2022
14	Freemans & Patrick Drives Intersection	Infrastructure	\$1,200,000	08/12/2022
15	Morisset Hospital	Infrastructure	\$1,195,000	12/07/2022
16	Alton Road Dwellings (8 dwellings)	Residential	\$2,550,000	29/11/2022
17	585 Freemans Drive Dwellings (13 dwellings)	Residential	\$2,600,000	03/10/2022
18	Harbord Street Townhouses (3 townhouses)	Residential	\$800,000	04/07/2022
19	Wamberal Street Residential Subdivision (38 lots)	Residential	\$2,000,000	05/12/2022
20	Rosendahl & Alton Roads Residential Subdivision Johnson Property Group (215 lots)	Residential	\$18,000,000	03/11/2022

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

* Morisset market data and key indicators encapsulates aggregate property market conditions within the suburbs of 2264 and 2265.

** 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.

¥ SUBURB market data encapsulates aggregate property conditions within the postcode of 2264 and 2265.

§ 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 suburbs of 2264 and 2265.

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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