



Shepparton Market Update 2nd Half 2022



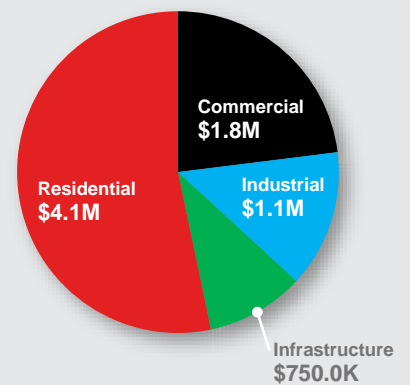
OVERVIEW

In Q3 2022, Shepparton* recorded a median house price of \$459,500, and a median unit price of \$310,000. This represents annual (Q3 2021 – Q3 2022) median price growth of 16.3% for houses and 14.8% for units. However on a quarter-by-quarter basis (Q2 2022 – Q3 2022) median price growth slowed to 1.0% for houses and softened by -15.9% for units. This reflects interest rate hikes translating into the market. Total sales decreased between Q3 2021 – Q3 2022, by -19.4% (to 170 sales) for houses and by -20.5% for units (at 31 sales). Market conditions suggest new 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		↑	↑

FUTURE DEVELOPMENTS

Shepparton is set to see approximately **\$7.6M** worth of new projects commencing in the 2nd half of 2022.



A key focus on residential projects will allow for new stock to enter the market and assist with answering demand. Other projects such as commercial and industrial will stimulate the local economy, in the form of jobs, whilst the infrastructure projects will improve liveability.

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



A main residential project over the 2nd half of 2022 is the Goulburn Valley Highway Kialla (\$4.0M). The project is set to add 89 residential lots to the area.

An absence of ready to sell houses and units will put further pressure on the already undersupplied market, especially with challenges in the construction industry. This may allow current available stock to be absorbed, especially in a more uncertain market due to cash rate hikes. However it is not sustainable for answering future demand once the economy stabilises.

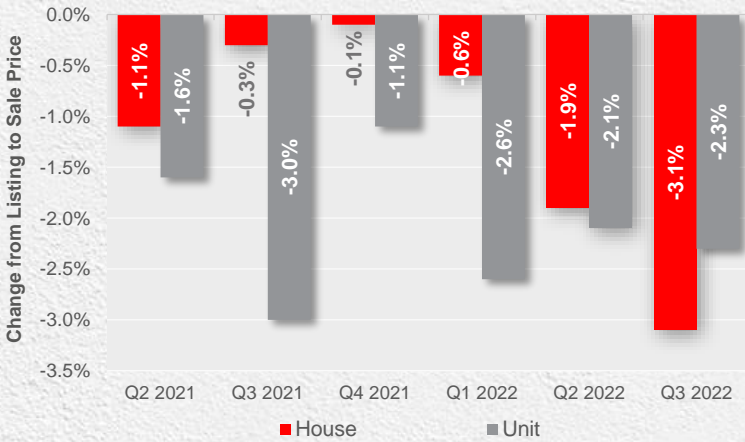
A collation of small commercial, industrial and infrastructure projects that are planned will assist in ensuring there are more amenities in the area, to benefit residents.



89 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.

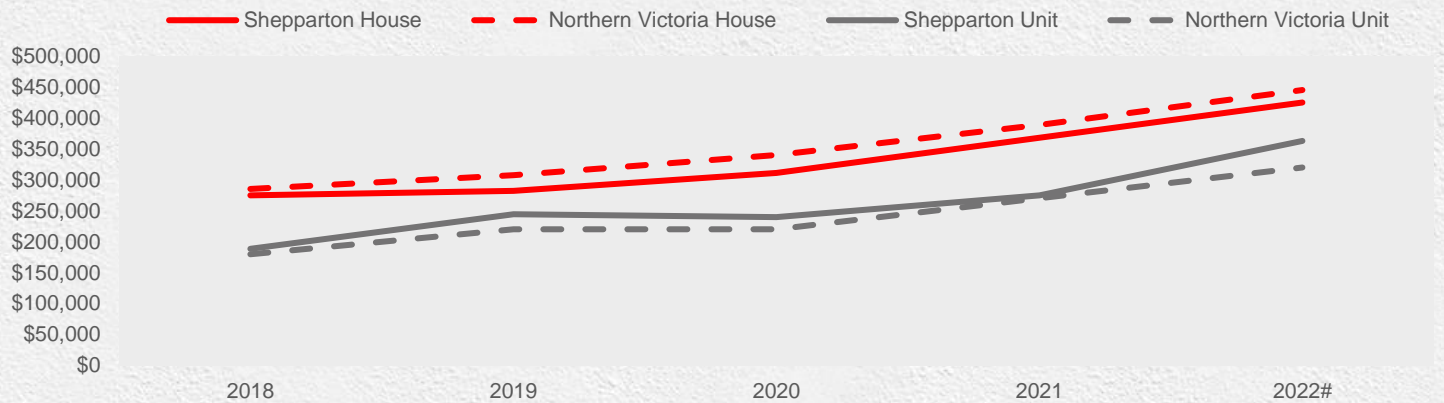


Average vendor discounts between Q3 2021 and Q3 2022 have rapidly shifted for both property types, to a wider discount of -3.1% for houses and a tighter -2.3% for units. Market conditions in Shepparton* have now shifted to favour buyers. Q3 2022 saw the highest house average vendor discount in the past 18 months, thus opening new opportunities for first home buyers.

The suburb of Shepparton has historically outperformed the wider Northern Victoria Local Government Area (LGA) for unit median prices and provided an affordable option for houses. This continued to be the case in 2022# with units trending toward a premium market.

The dominant proportion of homes sold in Shepparton* across 2022# were in the more affordable price bracket of less than \$399,999 (43.8%). Units also showed its dominance in the affordable market of \$349,999 and under, totalling 67.3% of sales. That said the premium continue to grow, with 7.6% of house sales being above \$700,000 and 4.6% of unit sales above \$550,000.

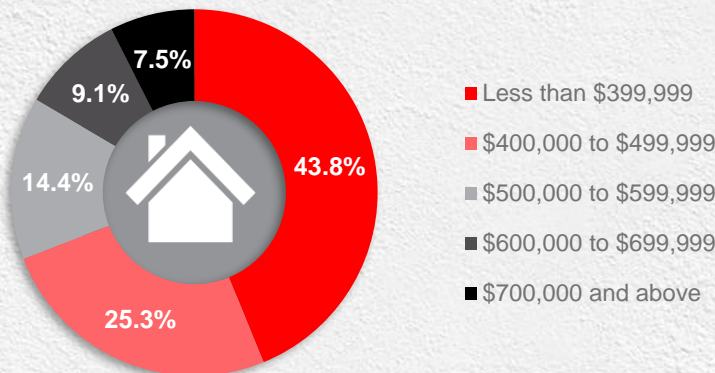
MARKET COMPARISON



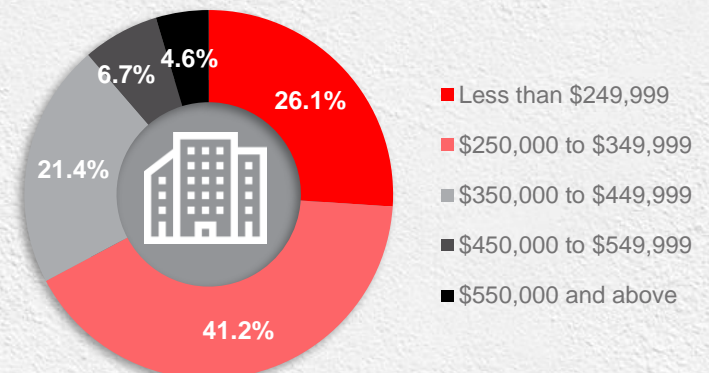
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Shepparton.

PRICE BREAKDOWN 2022#

HOUSES SOLD



UNITS SOLD

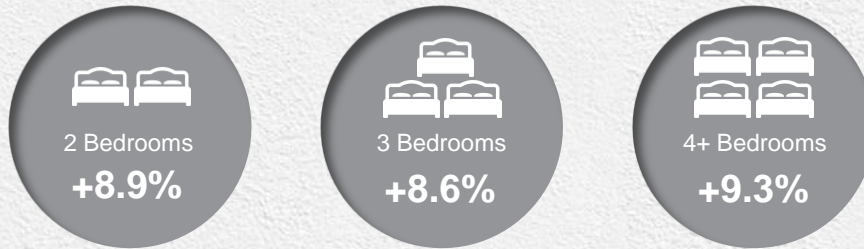


RENTAL GROWTH 2022€

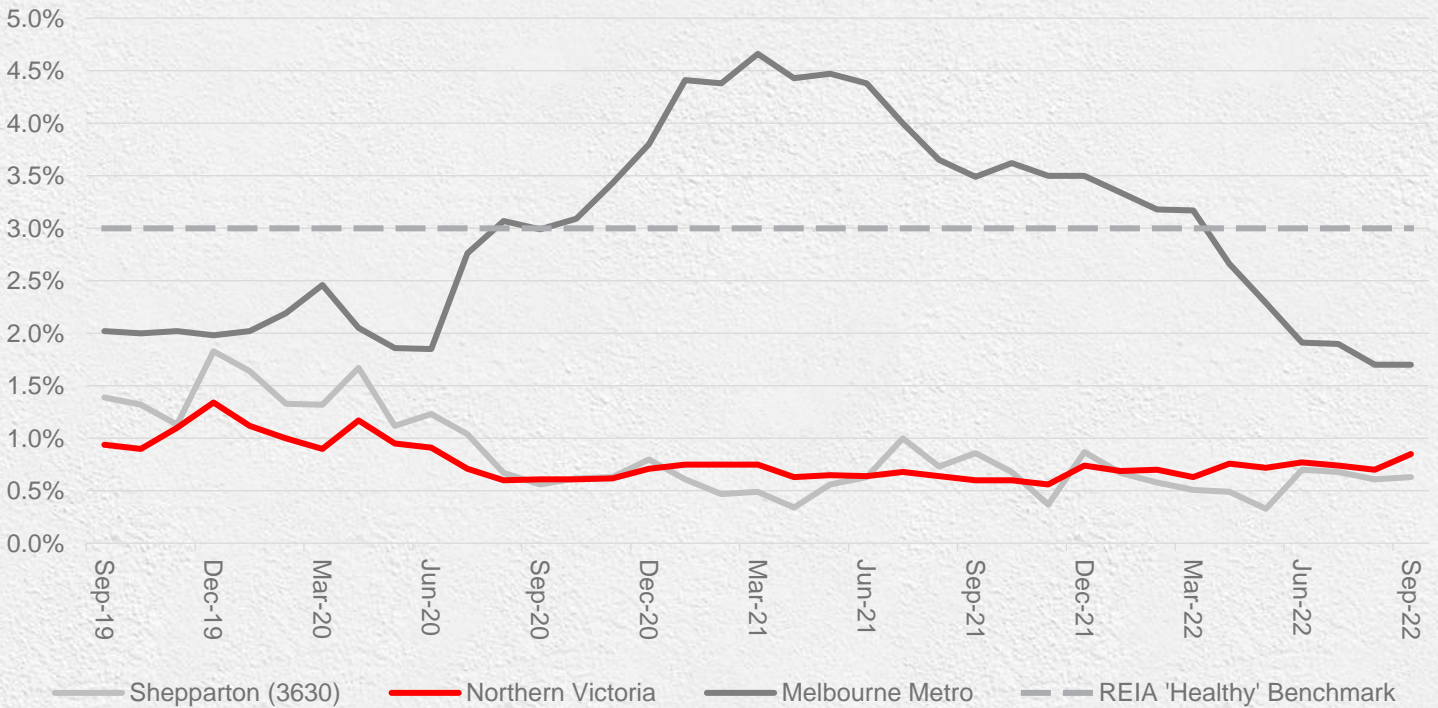
House rental yields in Shepparton* was recorded at 4.7% in September 2022, higher than Northern Victoria (4.0%) and well above Melbourne Metro (2.9%). This was paired with an 11.1% increase in median house rental price in the 12 months to Q3 2022, despite a 10.3% increase (to 224) in the number of houses rented. Average days on the market declined by -8.3% during this period, which further confirms a rental undersupply in the market.

4+ bedroom houses have provided investors with +9.3% rental growth annually, achieving a median rent of \$470 per week.

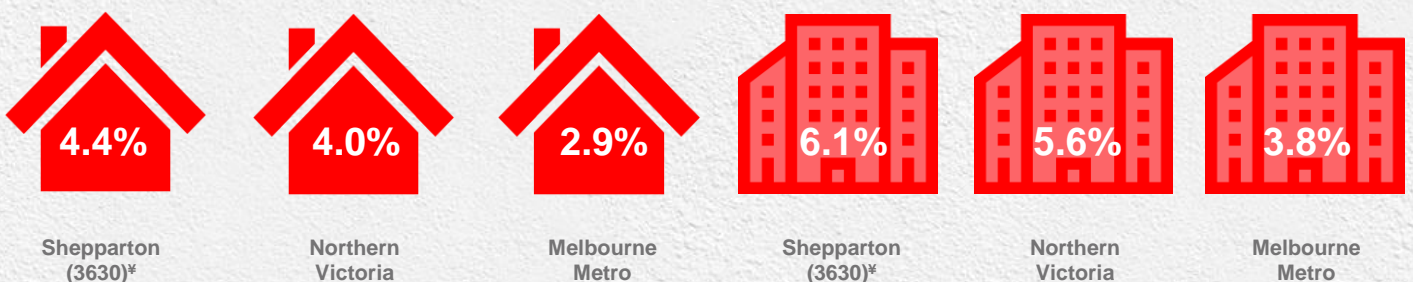
Shepparton* recorded a vacancy rate of 0.6% in September 2022, below Melbourne Metro's 1.7% average. Vacancy rates in Shepparton* have held steady over the past 24 months, trending within the 1.0% rate. This suggests rental stability as well as quicker occupancy of rental properties. These key indicators create a conducive and sustainable environment for investors, especially with the recent quarterly downturn in property prices (between Q2-Q3 2022).



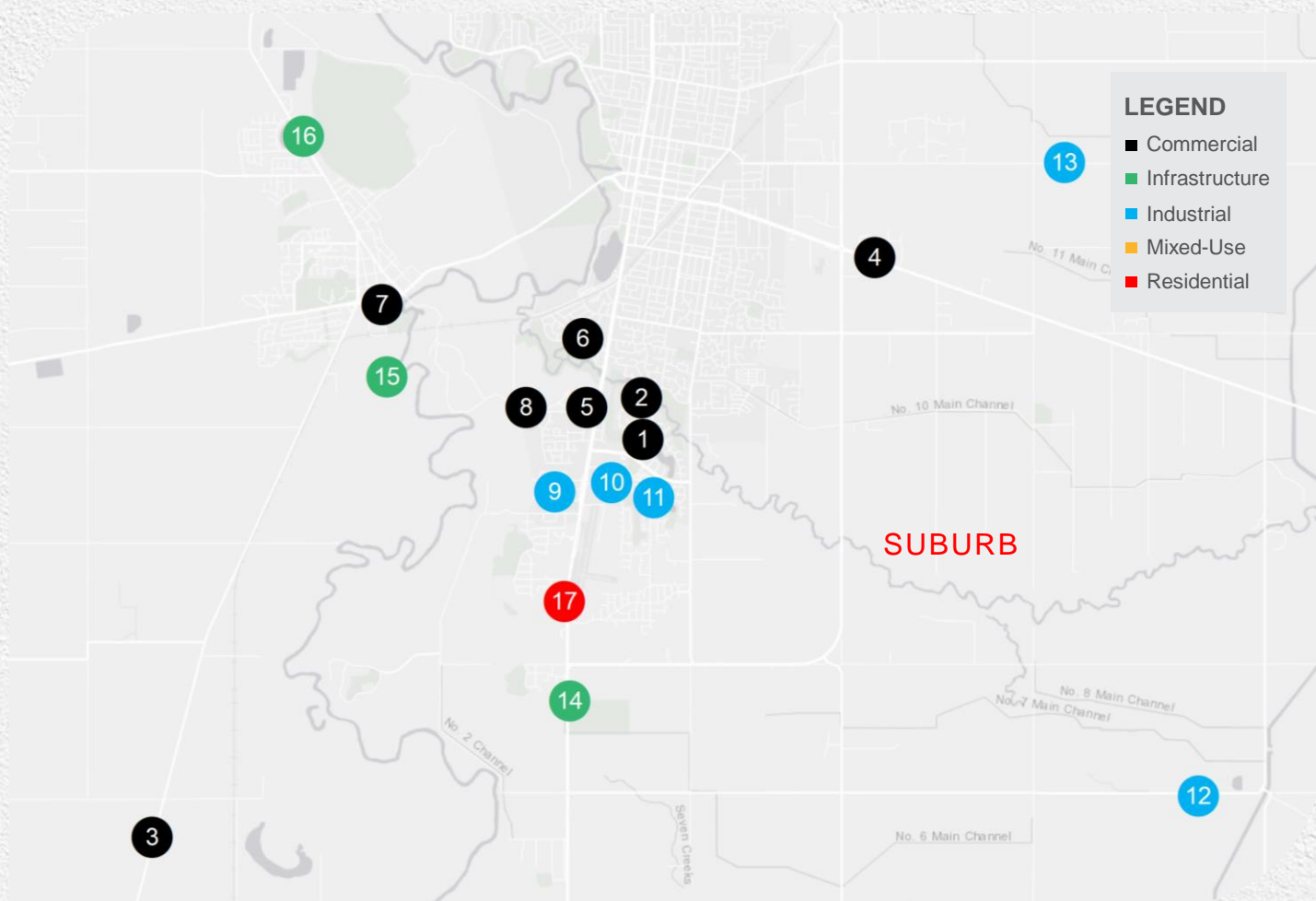
RENTAL VACANCY RATES 2022



RENTAL YIELD 2022\$



TOP DEVELOPMENTS MAP 2nd HALF 2022[†]



Location	Project [£]	Type	Estimated Value [¥]	Commence Date [¥]
1	8002 Goulburn Valley Highway - Shepparton Renault Extensions	Commercial	\$100,000	06/09/2022
2	Goulburn Valley Highway Retail Outlets	Commercial	\$300,000	18/08/2022
3	Toolamba Road Earthworks	Commercial	\$150,000	11/07/2022
4	355 Midland Highway Shepparton East - Motor Vehicle Sales	Commercial	\$300,000	22/07/2022
5	8025 Goulburn Valley Highway Outdoor Dining	Commercial	\$200,000	20/08/2022
6	22c, 8025 Goulburn Valley Highway Retail Packaged Liquor Outlet Kailla	Commercial	\$200,000	30/11/2022
7	5 Young Street Commercial Development	Commercial	\$300,000	04/11/2022
8	8025 Goulburn Valley Highway Commercial Building	Commercial	\$200,000	23/12/2022
9	4 / 7910 Goulburn Valley Highway Warehouses	Industrial	\$250,000	21/09/2022
10	10 Gash Court Storage Sheds	Industrial	\$100,000	29/12/2022
11	9 Gash Court Self Storage Facility	Industrial	\$300,000	26/12/2022
12	976 Mitchell Road Storage Sheds All Sheds & Farm Supplies	Industrial	\$300,000	23/11/2022
13	455 Old Dookie Road Storage Shed	Industrial	\$100,000	07/10/2022
14	Shepparton Training Complex	Infrastructure	\$300,000	08/10/2022
15	35 Young Street Mooroopna - V/Line Corporation - Rail Bridge Maintenance	Infrastructure	\$150,000	01/12/2022
16	214-232 Echuca Road Telecommunications Facility	Infrastructure	\$300,000	13/09/2022
17	7755 Goulburn Valley Highway Kialla - Edgewater Place Estate Lemon Tree Subdivision Stages 1 & 2 (89 Lots)	Residential	\$4,050,000	29/11/2022



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

*Shepparton market data and key indicators encapsulates aggregate property market conditions within the suburb of Kialla, Mooroopna, Toolamba, Shepparton East, Congupna and Tallygaroopna

** 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.

¥ Shepparton market data encapsulates aggregate property conditions within the postcode of 3631.

§ 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 Kialla, Mooroopna, Toolamba, Shepparton East, Congupna and Tallygaroopna

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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