



Ballarat Market Update

1st Half 2023



OVERVIEW

In Q4 2022, Ballarat* recorded a median house price of \$551,250, and a median unit price of \$400,000. This represents annual (Q4 2021 – Q4 2022) median price softening of -3.7% for houses and growth of 2.6% for units. On a quarterly (Q3 2022 – Q4 2022) basis median house prices softened by -3.5%, whilst units continue to grow, at 2.6%. For the house market this reflects cash rate hikes, lower consumer confidence, and current economic conditions. Q4 2022 recorded the lowest number of house sales, of 362 sales. There are now new opportunities for buyers ready to enter the market.

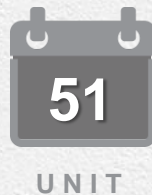
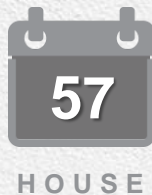
	CHANGE FROM LAST	YEAR	HALF YEAR
 House Sales		↓	↓
House Median Price		↓	↑
House Rental Price		↑	↑
 Unit Sales		↓	↓
Unit Median Price		↑	↑
Unit Rental Price		↑	↑

MARKET CONDITIONS

SALES MEDIAN PRICE Q4 2022



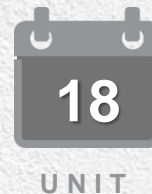
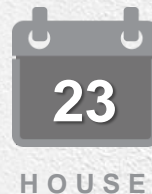
SALES AVERAGE DAYS ON MARKET Q4 2022



RENTAL MEDIAN PRICE Q4 2022

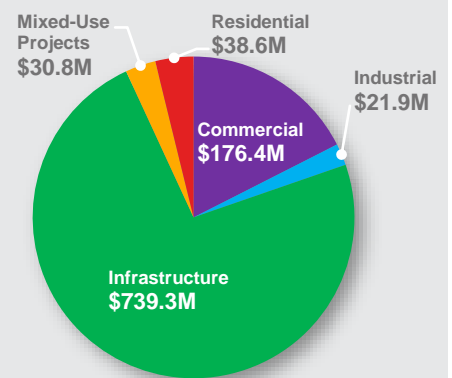


RENTAL AVERAGE DAYS ON MARKET Q4 2022



FUTURE DEVELOPMENTS

Ballarat* is set to see approximately **\$1.0B worth of new projects commencing in the 1st half of 2023.**



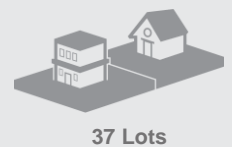
A key focus on infrastructure projects improve liveability for current residents and create jobs in the construction phase. Residential projects add to supply, good news for first home buyers.

A main commercial project over the 1st half of 2023 is Weston Foods Flour Mill (\$132.9M). This create jobs in pre and post construction phases.

The Ballarat Base Hospital (\$541.6M) is a key infrastructure project that will improve liveability for residents.

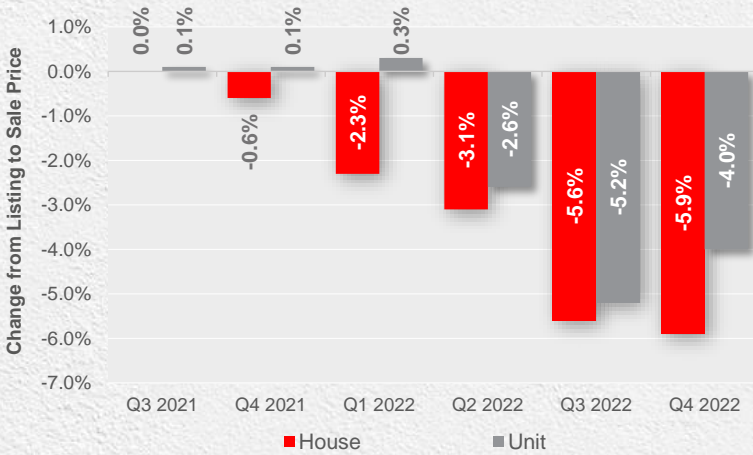
In the 1st half of 2023, residential projects planned include:

- 112 Sim St Townhouses (3 townhouses)
- 312-314 Specimen Vale South & 33 George St – Eureka Dwellings (16 dwellings)
- Gladstone St Subdivision (19 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.

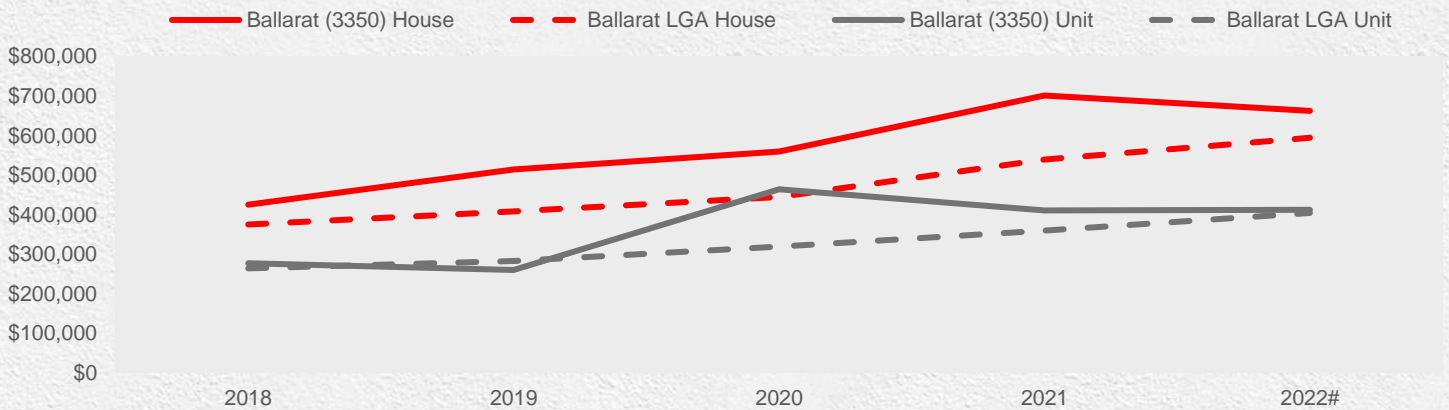


Average vendor discounts between Q4 2021 and Q4 2022 have widened to a higher discount of -5.9% for houses and swung from a premium to discount of -4.0% for units. Market conditions in Ballarat* have shifted to favour buyers, as sellers are willing to negotiate below the initial listing price. Now is the time to buy.

The suburb of Ballarat has historically outperformed the wider Ballarat Local Government Area (LGA) in both house and unit median prices. Late 2022# saw a return to parity for house and unit median prices, likely due to a higher interest rate environment.

The dominant proportion of homes sold in Ballarat* across 2022# were in the most affordable price bracket of below \$599,999 (61.1%). Units recorded a dominant middle-price point between \$350,000 and \$449,000 (41.5%). Premium properties are still available for both house and units, but affordable options have increased in sales percentage in the past 6 months. This is good news for first home buyers looking to enter the market.

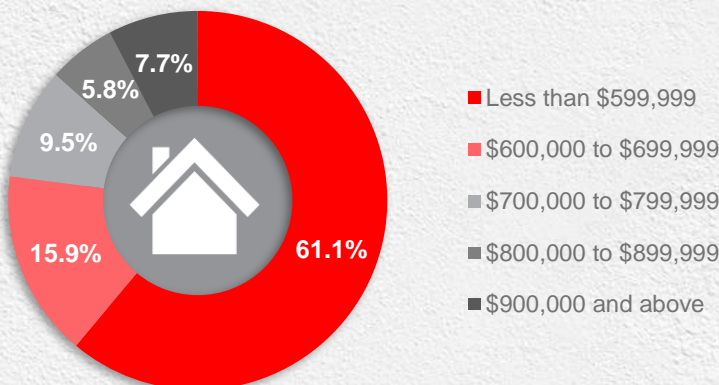
MARKET COMPARISON



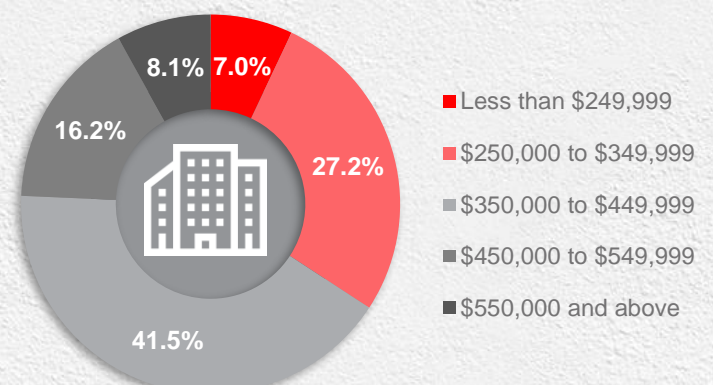
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Ballarat.

PRICE BREAKDOWN 2022#

HOUSES SOLD



UNITS SOLD

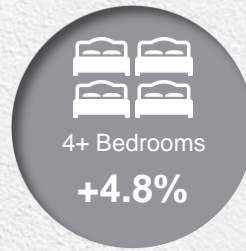
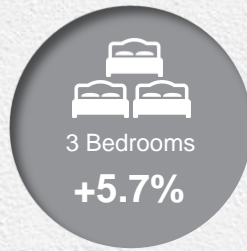


RENTAL GROWTH 2022€

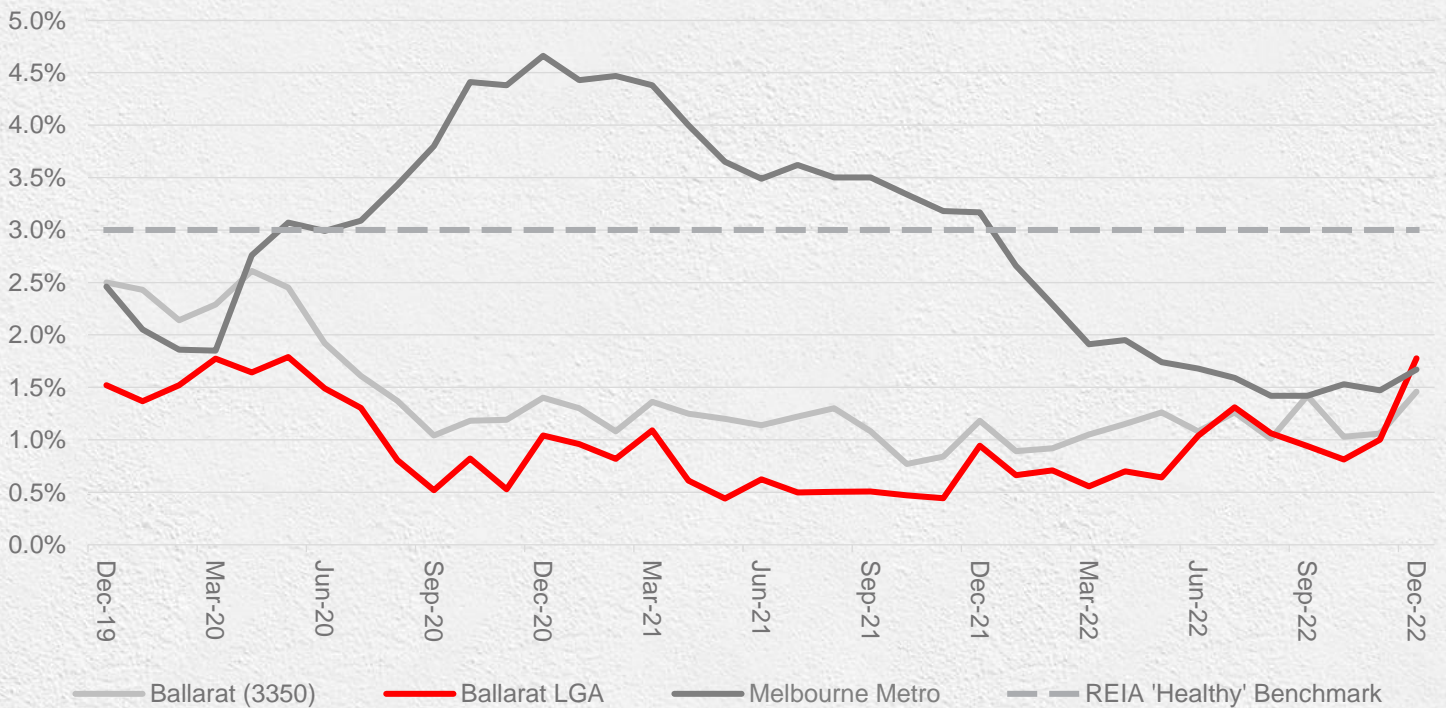
House rental yields in Ballarat* was 3.4% in December 2022, higher than Melbourne Metro (2.7%). This was paired with a 5.3% increase in median house rental price in the 12 months to Q4 2022, and stable demand for rental properties. Average days on the market remained at a low 21 (days) during this time, which suggest a resilient market. The unit market shows an undersupply, as median unit rental price increased by 7.9% whilst the number of units rented increased by 1.3%.

2 bedroom houses have provided investors with +6.7% rental growth annually, achieving a median rent of \$320 per week.

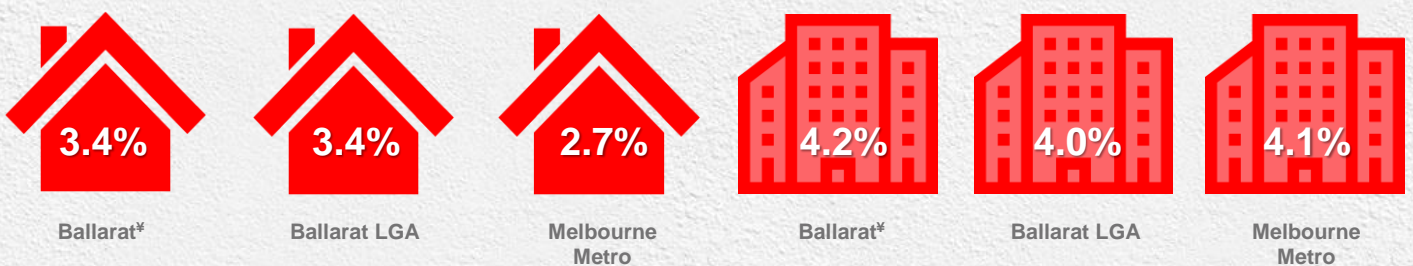
Ballarat* recorded a vacancy rate of 1.5% in September 2022, which is slightly below Melbourne Metro's 1.7% average. Vacancy rates in Ballarat* saw a slight spike in the late 2022, potentially due to investors responding to higher interest rates. However it is still below the Real Estate Institute of Australia's healthy benchmark of 3.0% and pre-COVID-19 levels. This suggests a conducive investment environment, especially with a decrease in median house price in the past 12 months.



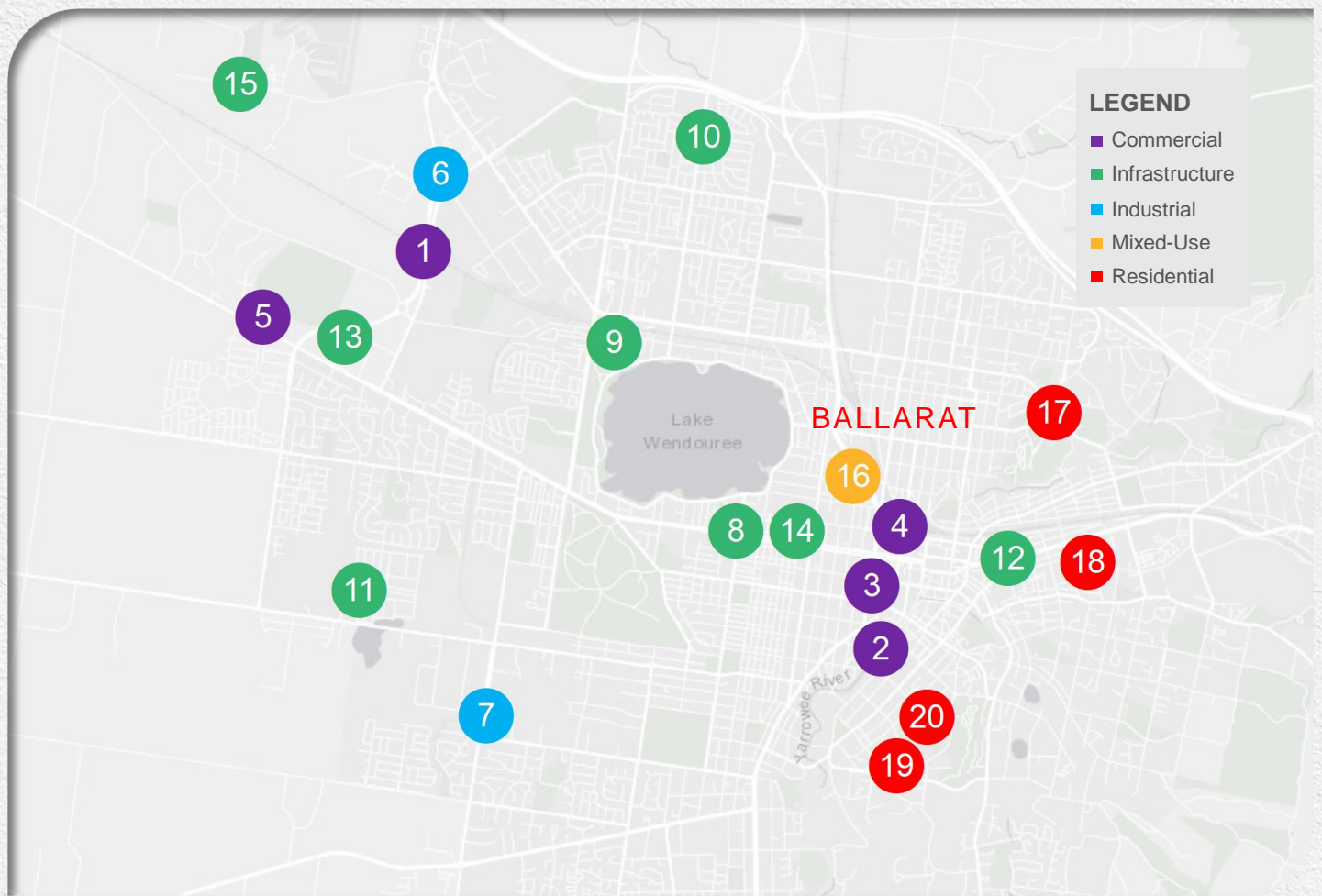
RENTAL VACANCY RATES 2022



RENTAL YIELD 2022\$



TOP DEVELOPMENTS MAP 1st Half 2023[†]



Location	Project [£]	Type	Estimated Value [†]	Commence Date [†]
1	Weston Foods Mauri Flour Mill	Commercial	\$132,900,000	09/05/2023
2	205 Armstrong Street South Ballarat - Medical Centre	Commercial	\$3,000,000	20/02/2023
3	107 Doveton Street South Hotel	Commercial	\$5,000,000	04/03/2023
4	Her Majesty's Theatre Upgrade Stage 3	Commercial	\$14,800,000	06/05/2023
5	10 Fawcett Road Lucas Early Parenting Centre Ballarat	Commercial	\$10,500,000	09/01/2023
6	Foodbank Victoria Ballarat West Employment Zone	Industrial	\$5,000,000	06/02/2023
7	29 Wiltshire Lane Warehouses & Industrial Subdivision	Industrial	\$3,000,000	07/03/2023
8	Ballarat Base Hospital	Infrastructure	\$541,600,000	06/03/2023
9	Glenelg Highway & Streatham-Eurambeen Road Roadworks Roundabout	Infrastructure	\$5,000,000	15/05/2023
10	Forest Street Primary School Upgrade	Infrastructure	\$5,572,000	06/02/2023
11	Alfredton Community Hub - Ballymanus	Infrastructure	\$6,850,000	06/03/2023
12	Bakery Hill Redevelopment	Infrastructure	\$15,000,000	01/05/2023
13	Ballarat Intermodal Freight Hub Terminal - Bwez	Infrastructure	\$23,500,000	24/04/2023
14	Ballarat Base Hospital Central Energy Plant & Support Services - Stage 2	Infrastructure	\$125,000,000	01/03/2023
15	Ballarat Airport Runway Extension - Stage 1	Infrastructure	\$5,947,000	30/03/2023
16	4-6 Lyons Street North & Dawson Streets Mixed Use Development - Lyons Place (58 Units, 2 Townhouses)	Mixed-use	\$30,000,000	03/04/2023
17	112 Sim Street Townhouses Black Hill (3 Townhouses)	Residential	\$10,000,000	06/03/2023
18	312-314 Specimen Vale South & 33 George Street - Eureka - Dwellings (16 Dwellings)	Residential	\$4,500,000	28/02/2023
19	Fraser Street Dwellings (14 Dwellings)	Residential	\$3,500,000	26/04/2023
20	Gladstone Street Residential Subdivision (19 Lots)	Residential	\$3,000,000	30/06/2023

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.



Jason Birch

Sales Manager/ Director

M +61 409 388 377

E jasonb@prdballarat.com.au



PRD Ballarat

P +61 3 5331 1111

F +61 3 5331 5778

PRD.com.au/ballarat

Level 1, 51 Lydiard Street South
Ballarat, VIC 3350

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 2022 (01/01/2022 – 31/12/2022) only.

€ Annual rental growth is a comparison between 2021 (01/01/2021 – 31/12/2022) and 2022 (01/01/2022 – 31/12/2022) house median rent figures.

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

§ Rental yields shown are as reported as of December 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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