



Upper Hunter Market Update 1st Half 2023



OVERVIEW

In Q4 2022, Upper Hunter* recorded a median house price of \$491,000 and a median unit price of \$340,000. This represents annual (Q4 2021 – Q4 2022) median price growth of 15.5% for houses and 30.3% for unit. That said on a quarter-by-quarter (Q3-Q4 2022) basis median price grew at a slower rate of 2.6% (houses) and 5.4% (units). This reflects successive cash rate increases translating into the market. The Upper Hunter* market remains undersupplied, with total sales declining by -41.7% (houses) and -54.4% (units) over the past 12 months. There are new and unique opportunities for buyers and sellers.

	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



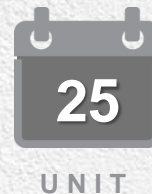
SALES AVERAGE DAYS ON MARKET Q4 2022



RENTAL MEDIAN PRICE Q4 2022

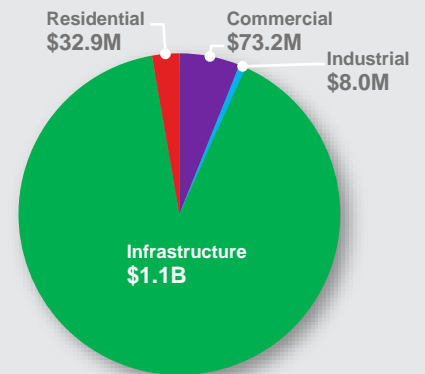


RENTAL AVERAGE DAYS ON MARKET Q4 2022



FUTURE DEVELOPMENTS

Upper Hunter is set to see approximately **\$1.2B** worth of new projects commencing in the 1st half of 2023.



A focus on infrastructure projects will improve liveability for current residents and create jobs in the construction phase. It can also attract more residents to the area, increasing demand for residential real estate.

The Singleton Bypass (\$700M) is an infrastructure development planned in the 1st half of 2023. The project will add 8km of new highway.

A key commercial project set in the 1st half of 2023 is the Scone Race Club Horse Stables (\$25.0M).

Two key residential projects in the 1st half of 2023 include:

- New England Highway Residential Subdivision (\$4.9M, 75 lots)
- 150 Gundy Road Scone Residential Subdivision (\$27.5M, 393 lots)

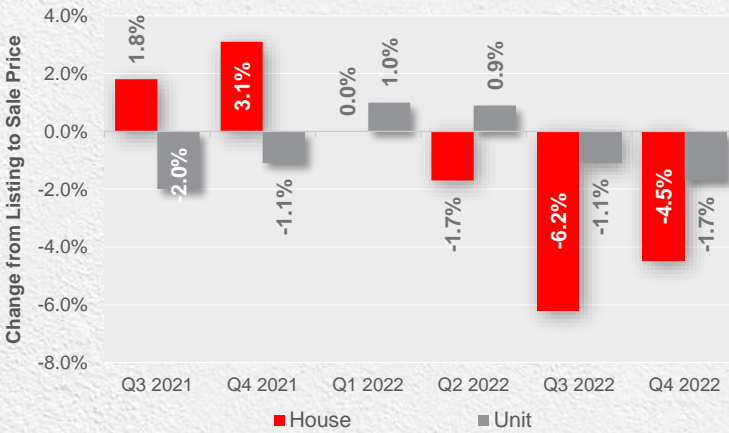
New land lots does not immediately address housing supply needs, but in the current economic condition will allow for current stock to be absorbed by the market.



468 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.

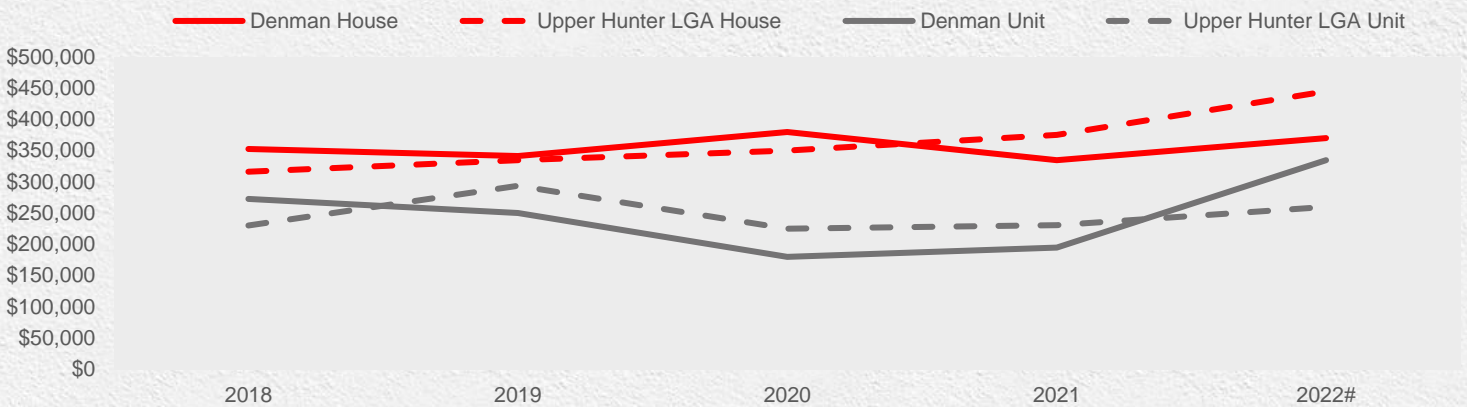


Average vendor discounts between Q4 2021 and Q4 2022 have swung to a discount of -4.5% for houses. Units vendor discount have slightly widened, to a further discount of -1.7% in Q4 2022. Market conditions in Upper Hunter have now shifted to favour buyers, as vendors are willing to accept below the first listing price.

The suburb of Denman has historically performed closely with the wider Upper Hunter Local Government Area (LGA) in both property types. The house market in Denman presented more affordable options compared to the Upper Hunter LGA in the past 12 months. In contrast, the unit market in Denman has outperformed the Upper Hunter LGA in the past 6 months.

The main proportion of homes sold in Upper Hunter* across 2022# were in the middle-price point bracket of \$450,000 to \$550,000 (28.3%). Interestingly the main proportion of units sold were in the premium price point above \$400,000 (26.7%). That said, there is a healthy balance of price points available in both markets.

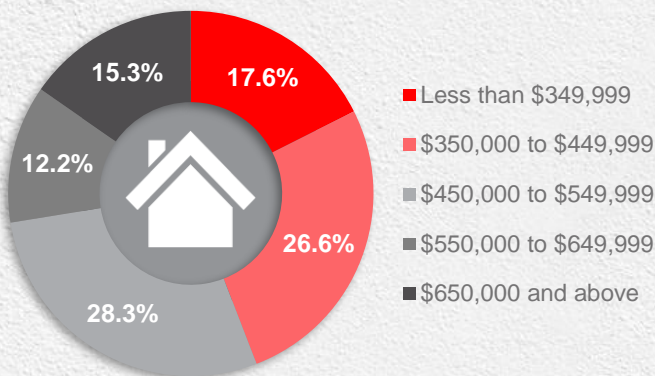
MARKET COMPARISON



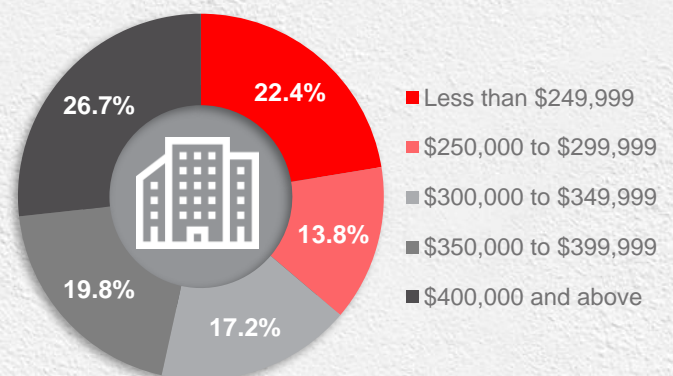
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Denman.

PRICE BREAKDOWN 2022#

HOUSES SOLD



UNITS SOLD

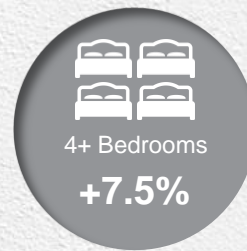


RENTAL GROWTH 2022€

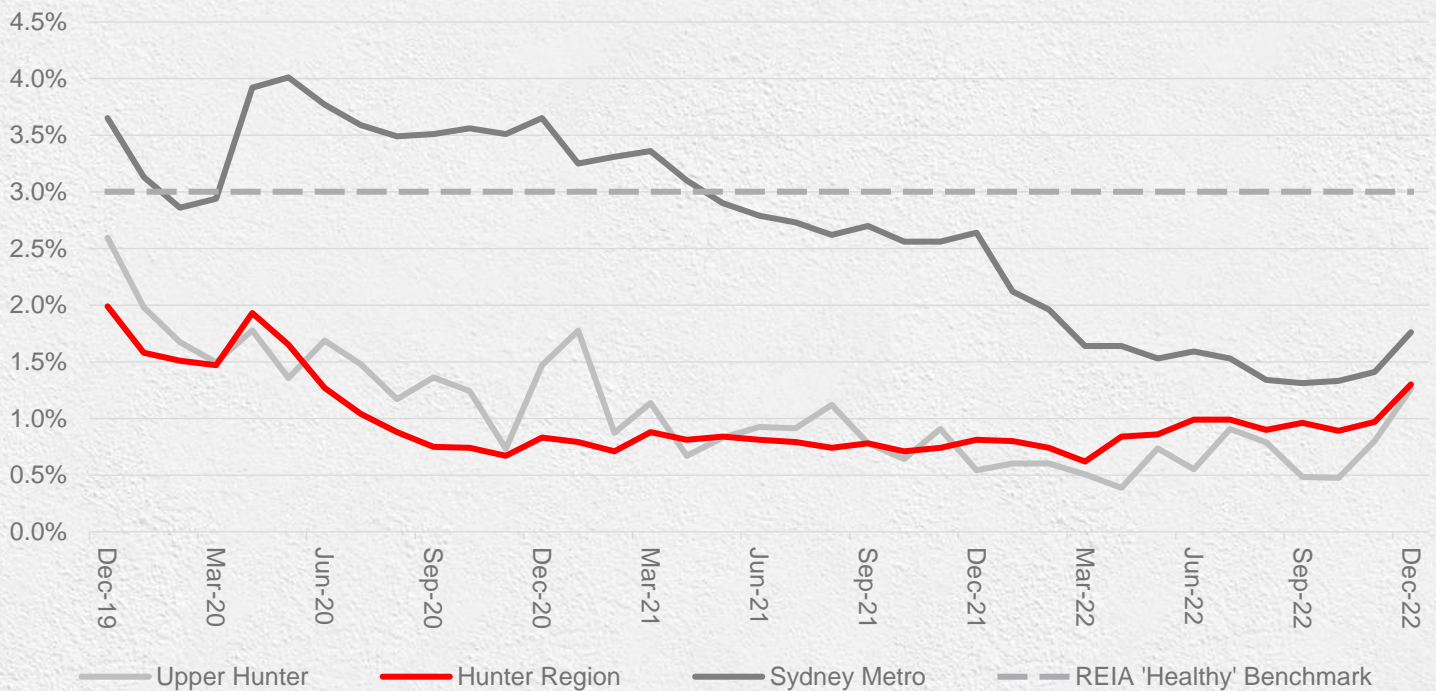
House rental yields in the Upper Hunter* were 4.1% in December 2022, higher than Sydney Metro (3.7%). In the 12 months to Q4 2022 median house rental price increased by 9.1% to sit at \$480 per week, despite a 2.9% increase (to 140 rentals) in the number of houses rented. This suggests renters are willing to pay higher even without an undersupply in the market. Average days on the market remained low at 21 days for Q4 2022, indicating a strong rental market in the Upper Hunter*.

2 bedroom houses have provided investors with +12.7% rental growth annually, achieving a median rent of \$372 per week.

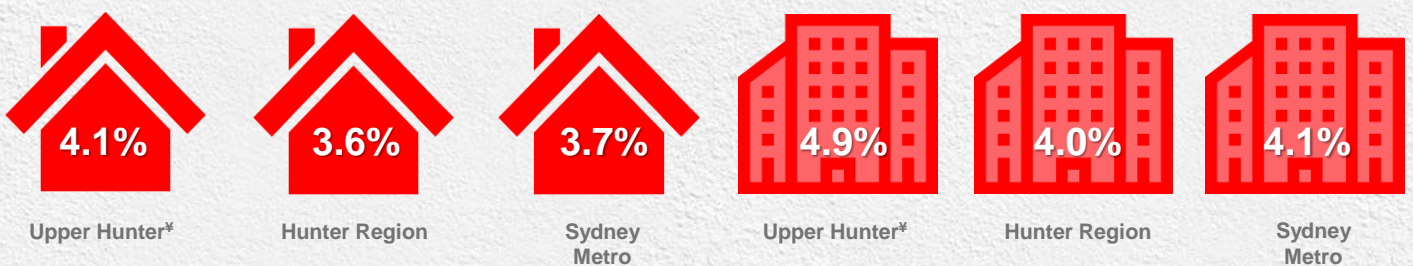
Upper Hunter* recorded a vacancy rate of 1.3% in December 2022, which is below Sydney Metro's 1.6% average. Vacancy rates in Upper Hunter* saw a slight spike in the late 2022, potentially due to investors responding to higher interest rates. However it is still below the Real Estate Institute of Australia's healthy benchmark of 3.0% and pre-COVID-19 level. This suggests a conducive investment environment, especially with slower growth in median house price in the past quarter.



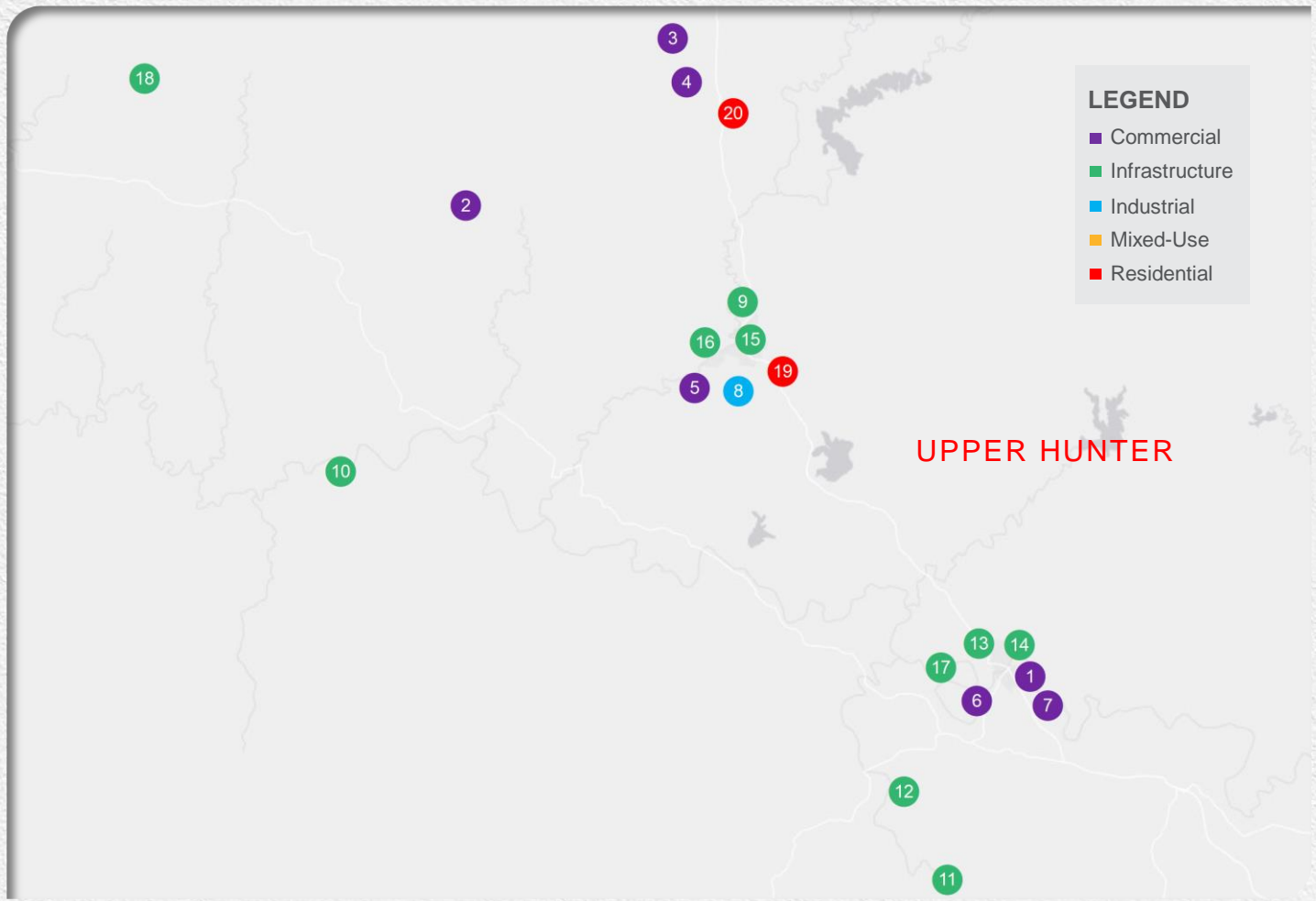
RENTAL VACANCY RATES 2022



RENTAL YIELD 2022\$



TOP DEVELOPMENTS MAP 1st HALF 2023^A



Location	Project [£]	Type	Estimated Value ^µ	Commence Date ^ψ
1	Singleton Diggers	Commercial	\$1,500,000	17/03/2023
2	Maxwell Solar Farm	Commercial	\$37,000,000	18/05/2023
3	Racing Nsw Scone Race Club Horse Stables	Commercial	\$25,000,000	01/05/2023
4	Scone Equine Hospital Stages 1 & 2	Commercial	\$5,000,000	13/05/2023
5	The Upper Hunter Backpackers	Commercial	\$680,000	03/04/2023
6	9 & 11 Ryan Avenue Car Wash Facility	Commercial	\$1,300,000	15/05/2023
7	Bathurst Street Boarding Houses	Commercial	\$1,041,000	12/04/2023
8	Glen Munro Road Waste & Resource Management Facilities	Industrial	\$7,985,000	27/04/2023
9	Hill Street Roadworks Upgrade	Infrastructure	\$700,000	17/04/2023
10	Bylong Valley Way Road Roadworks & Drainage Upgrade	Infrastructure	\$750,000	20/04/2023
11	Lone Pine Barracks	Infrastructure	\$800,000	20/02/2023
12	Charlton Road Roadworks	Infrastructure	\$850,000	10/03/2023
13	Singleton Military Area	Infrastructure	\$1,000,000	24/04/2023
14	Singleton Bypass	Infrastructure	\$700,000,000	26/06/2023
15	Muswellbrook Hospital - Stage 3	Infrastructure	\$45,000,000	15/05/2023
16	Muswellbrook Bypass	Infrastructure	\$336,000,000	06/02/2023
17	New England Highway Bypass Project	Infrastructure	\$1,000,000	07/05/2023
18	Bobialla Bridge Replacement	Infrastructure	\$617,000	11/02/2023
19	New England Highway & Day Street Residential Subdivision (75 lots)	Residential	\$4,875,000	27/05/2023
20	150 Gundy Road Scone - Residential Subdivision (393 lots)	Residential	\$27,500,000	18/05/2023



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.



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REFERENCES

*Upper Hunter market data and key indicators encapsulates aggregate property market conditions within the suburbs of Denman, Muswellbrook, Merriwa, Scone and Singleton.

** 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.

¥ Upper Hunter market data encapsulates aggregate property conditions within the postcodes of 2328, 2329, 2330, 2333 and 2337.

§ 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 suburbs of Denman, Muswellbrook, Merriwa, Scone and Singleton .

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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