



> Albury Commercial Update

1st Half 2023

SALES

Commercial

1H 2022 recorded only 2 commercial sales, thus for the purpose of data reliability this report quotes 2H 2022 sales. The median sale price pr sqm for commercial property in Albury* was \$3,563 in 2H 2022, based on 5 sales. This is a half-yearly (Q2 2022 – Q4 2022) price growth of 31.3% and annual (Q4 2021 – Q4 2022) price growth of 141.2%; showcasing a strong market.

Market activity has fluctuated since 2H 2019, which saw a peak of 37 sales. Transaction volume has remained relatively low for the past 18 months, however median sale price per sqm have increased. This suggests there is a market undersupply in this sector.



\$3,563

Median commercial sale price per sqm in Albury (2H 2022)

5

Total commercial property sales in Albury (2H 2022)

\$1,643

Median industrial sale price per sqm in Albury (2H 2022)

4

Total industrial property sales in Albury (2H 2022)

INTRODUCTION

Located approximately 550km south-west of Sydney, The City of Albury is a local government area (LGA) in the Riverina region. It is a vibrant region that includes towns such as Albury, Lavington, Thurgoona, and Hamilton Valley. With a diverse economy including agriculture, manufacturing, and retail industries, the City of Albury features bustling commercial precincts with office, retail, and industrial properties. That said the sales market is very scarce in 2023, with only 2 commercial sales and 1 industrial sale.

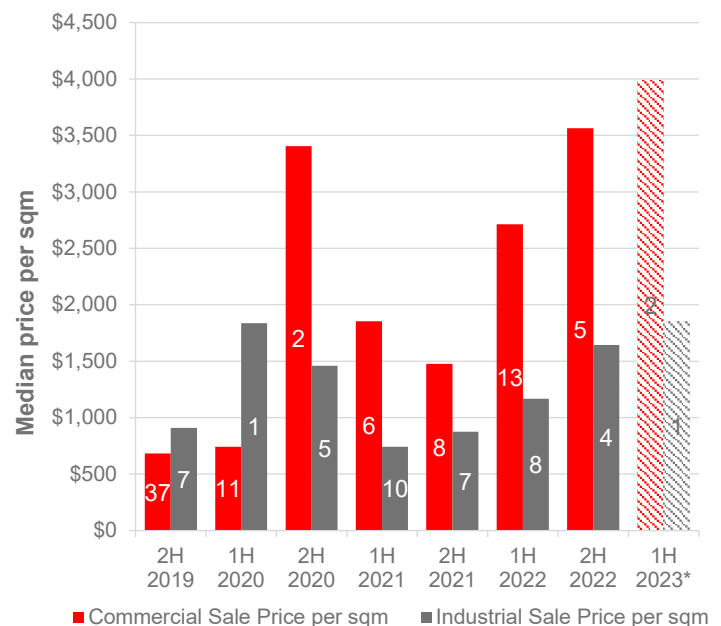
The following report focuses on these property types specifically, reporting and analysing their sales and leasing activity over the past 18 months, with data up to an including April 2023. This report also analyses recent and future development in the area. Combined, this provide a holistic understanding of the commercial and industrial property markets in Albury LGA.

SALES

Industrial

Similar to the commercial market, there was very little activity in 1H 2023. Thus data from 2H 2022 is used. There were 4 recorded sales in 2H 2022 with a median price per sqm of \$1,643. This represents half-yearly (1H 2022 – 2H 2022) price growth of 40.8% and an annual (2H 2021 – 2H 2022) price growth of 87.7%.

Industrial sales volumes have softened in the past 12 month period (2H 2021 – 2H 2022), while price per sqm has increased. Similar to the commercial market, there is an undersupply of stock. Projected prices (shaded in the graph) suggest the median price per sqm continue to increase. There are six industrial projects planned in the 1st half 2023, which will assist in answering demand.



Note: The numbers within the bar graph indicate the number of sales which occurred in each quarter.
 *Albury market data and key indicators encapsulates aggregate property market conditions in the Local Government Area of Albury. **Sales data is representative of a limited number of overall transactions within a period and is not exhaustive. Sales have been selected based on comparability in terms of size, age, and location within Norwest.
 Source: APM Pricer, commercialrealstate.com.au © Copyright PRD 2023.

LEASING

Commercial

The median net lease rate for commercial property in Albury* for Q1 2023 was \$275 per sqm. This is a half-yearly (Q3 2022 – Q1 2023) price growth of 27.6% and an annual price growth of 3.4% (Q1 2022 – Q1 2023). Most of the commercial spaces leased in Q1 2023 were under 200sqm. Leasing activity has grown, with 21 leases recorded in Q1 2023 (compared to 18 in Q3 2022). This is potentially due to a lesser number of commercial properties available for sale. Demand for quality office space in Albury* remain strong, as businesses move their operations to outer areas.



\$275

Median commercial net lease rate per sqm in Albury (Q1 2023)

21

Number of quarterly commercial leases in Albury (Q1 2023)

\$100

Median industrial net lease rate per sqm in Albury (Q1 2023)

3

Number of quarterly industrial leases in Albury (Q1 2023)

LEASE BREAKDOWN

Leases commencing in the Q1 2023 were taken on a Gross basis, as opposed to Nett basis.

A majority, representing 98% of commercial leases, were taken on a Gross basis (based on 182 known leases). This is a continuing trend, evident in the past 24 months.

The dominant lease type in Albury's* industrial market proved similar to the commercial market, with 85% of leases being adhered to on a Gross basis (based on 41 known leases).

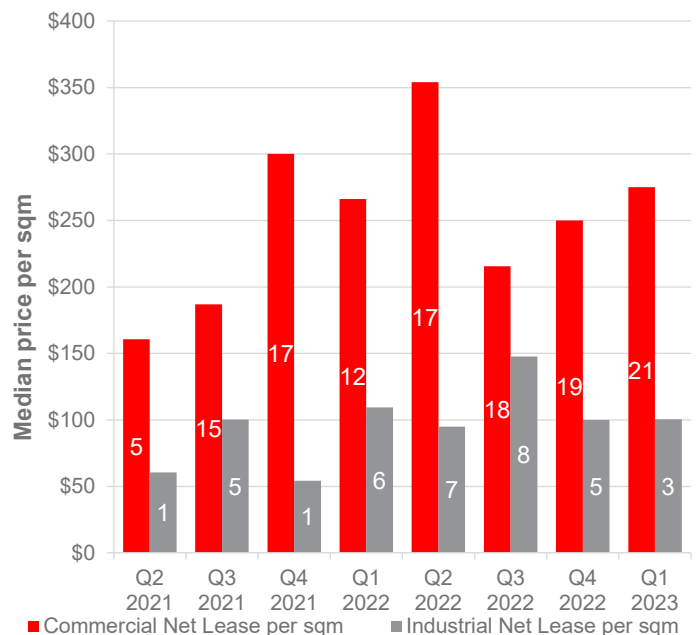
The average days to let a commercial space has declined in the 12 months to Q1 2023, by -57.2% (to 78 days). Similarly, the average days to let an industrial leasing space has declined by -51.0% (to 94 days). This reflects the imbalance between high demand and undersupply of stock.

LEASING

Industrial

Albury's* median net lease rate per sqm for industrial property was \$100 per sqm as of Q1 2023. This is an annual price softening of -8.2 (Q1 2022 – Q1 2023). That said median net lease rate per in Albury* have trended relatively stable since mid-2021, ranging mostly between \$95 - \$148 per sqm.

The number of industrial properties leased in the 12 months to Q1 2023 declined by -50.0%, with 3 leases recorded in the quarter. This is the least number of industrial leases in the past 18-24 months, yet lessors are willing to offer a similar leasing price. This suggest there is a high confidence for industrial products, mostly due to a change in consumer behaviour (i.e tendency for online purchases) and limited available stock.



*Albury market data and key indicators encapsulates aggregate property market conditions in the Local Government Area of Albury.
 **Lease data only encapsulates transactions with sufficient data available to be fully utilised for the purpose of inclusion in the report. Lease data is representative of a limited number of overall transactions within a period and is not exhaustive. Leases have been selected based on comparability in terms of size, age, and location within Albury. *Median Net per sqm is calculated only on leases where this information was clearly disclosed or determinable from an advertised floor area and net rental amount for the lease. Source: APM Pricefinder, commercialrealestate.com.au. © Copyright PRD 2023.

RECENT SALES (Sample Only)

COMMERCIAL

Property Address	Sale Price	Area (sqm)	Price per sqm	Sale Date
2/449a Dean Street, Albury	\$480,000	54	\$12,308	Dec-22
4 Sadie Lane, South Albury	\$1,220,000	305	\$4,000	Dec-22
529 Kiewa Street, Albury	\$2,050,000	160	\$12,813	Nov-22
2/329 Urana Road, Lavington	\$310,000	100	\$3,100	Oct-22
569 Dean Street, Albury	\$16,800,000	118	\$142,373	Aug-22
184 Borella Road, East Albury	\$5,608,000	1574	\$3,563	Aug-22
405 Wagga Road, Lavington	\$700,000	550	\$1,273	Jul-22
443 Townsend Street, Albury	\$600,000	300	\$2,000	Jun-22
997 Pemberton Street, West Albury	\$2,330,000	150	\$15,533	May-22
466 Dean Street, Albury	\$900,000	300	\$3,000	May-22

INDUSTRIAL

Property Address	Sale Price	Area (sqm)	Price per sqm	Sale Date
10/424 Dallinger Road, Lavington	\$330,000	139	\$2,374	Dec-22
600 Nurigong Street, South Albury	\$850,000	420	\$2,024	Oct-22
23 Annette Circuit, Lavington	\$820,000	650	\$1,262	Aug-22
931 Garland Avenue, North Albury	\$4,250,000	5000	\$850	Jul-22
29 Annette Circuit, Lavington	\$815,000	750	\$1,087	May-22
104 Ceres Drive, Thurgoona	\$990,000	1000	\$990	May-22
111 Catherine Crescent, Lavington	\$3,125,000	9000	\$347	Apr-22
8/626 Dallinger Road, Lavington	\$150,000	189	\$794	Apr-22
707 Drome Street, East Albury	\$1,000,000	600	\$1,667	Mar-22
873 Ramsden Drive, North Albury	\$835,000	670	\$1,246	Mar-22

RECENT LEASES (Sample Only)

COMMERCIAL

Property Address	Lease Value	Lease Type	Area (sqm)	Price per sqm	Lease Date
2/499 Dean Street, Albury	\$15,600	Gross	225	\$260	Mar-23
7/519-525 Dean Street, Albury	\$18,000	Gross	120	\$900	Mar-23
451 Swift Street, Albury	\$30,000	Gross	66	\$252	Mar-23
1/601 Dean Street, Albury	\$34,700	Gross	182	\$196	Mar-23
357 Fallon Street, North Albury	\$46,800	Gross	280	\$195	Mar-23
316 Urana Road, Lavington	\$50,000	Gross	326	\$56	Mar-23
1/435 Dean Street, Albury	\$62,000	Gross	20	\$206	Mar-23
Level 1 7/571 Dean Street, Albury	\$10,000	Gross	150	\$36	Feb-23
Level 1 2 & 3/571 Dean Street, Albury	\$15,500	Net	182	\$55	Feb-23
495a Swift Street, Albury	\$19,000	Gross	255	\$528	Feb-23

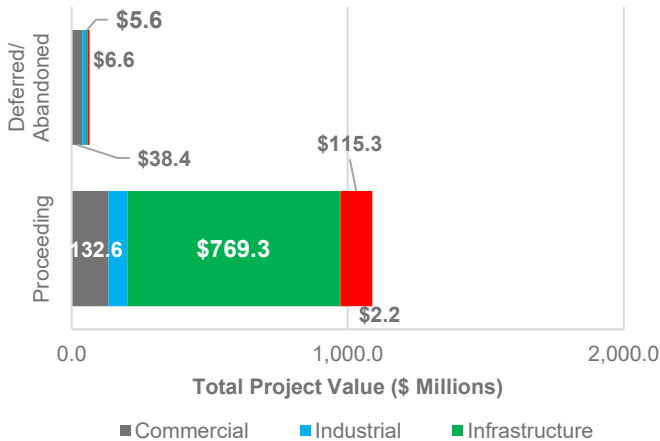
INDUSTRIAL

Property Address	Lease Value	Lease Type	Area (sqm)	Price per sqm	Lease Date
11a Catherine Crescent, Lavington	\$28,600	Net	350	\$82	Mar-23
1/918 Metry Street, North Albury	\$43,200	Gross	430	\$100	Jan-23
16/82 Merkel Street, Thurgoona	\$8,750	Gross	50	\$175	Jan-23
3/852 Leslie Drive, North Albury	\$17,000	Gross	170	\$100	Dec-22
4/82 Merkel Street, Thurgoona	\$20,000	Gross	145	\$138	Dec-22
4/539 Hume Street, Albury	\$25,000	Gross	200	\$125	Dec-22
29 Annette Court, Lavington	\$75,000	Gross	750	\$100	Nov-22
33 Catherine Crescent, Lavington	\$55,000	Net	735	\$75	Oct-22
16/424 Dallinger Road, Lavington	\$19,800	Gross	140	\$141	Aug-22
2/448 Panmure Street, South Albury	\$20,000	Gross	380	\$53	Aug-22

PROJECT DEVELOPMENT

2022-2024 OVERVIEW

Albury* will benefit from an estimated \$1.1B of planned future project development, due to commence between 2022-2024. There are 140 major projects proceeding, which represents 75% of the original development pipeline. This is quite significant considering the recent construction challenges. The majority is infrastructure projects, which will improve liveability for residents.



It is interesting to see the shift in development focus. In 2022, this was infrastructure projects, however in 2023 it has shifted to commercial projects. Combined, these projects stimulate local economic growth. This carries a multiplier effect on the real estate market, in the form of increased housing demand. Mixed-use projects have not been a focus in Albury*, rather new property stock has been delivered in pure residential projects, mostly in the form of land lots. The absence in mixed-use is an opportunity for the area, as it can deliver both ready-to-sell housing stock and commercial spaces.

Proceeding Projects: Total Estimated Value

	2022	2023	2024
Commercial	\$79.8M	\$70.2M	\$21.0M
Industrial	\$16.8M	\$39.9M	\$26.4M
Infrastructure	\$46.4M	\$17.6M	\$710.8M
Mixed-Use	\$0.0K	\$2.2M	\$0.0K
Residential	\$8.3M	\$44.4M	\$69.1M
Total	\$151.4M	\$174.4M	\$827.3M

Proceeding Projects: Total Project Count

	2022	2023	2024
Commercial	20	33	12
Industrial	8	19	7
Infrastructure	5	10	5
Mixed-Use	0	1	0
Residential	3	9	8
Total	36	72	32

1st HALF 2023 OVERVIEW

A key project for the 1st half of 2023 is the \$7.5M Albury Waste Management Centre Facility. This infrastructure project will see the construction of a material recycling facility, including an office building and warehouse. This will contribute to higher economic output (i.e local jobs) and being more environmentally friendly.

There is a significant focus on commercial development in the 1st half of 2023. West Albury Clinic (\$2.8M) is one, adding 670sqm of specialised commercial floor space. Others include: Wodonga Place (\$2.7M) and Diamond Drive Commercial Development (\$30.0M).

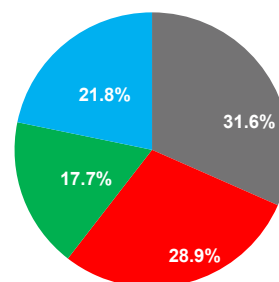
1st Half 2023 Proceeding Project Breakdown

	Project Value	Total Projects
Commercial	\$21,435,000	17
Industrial	\$14,773,000	6
Infrastructure	\$12,029,000	6
Mixed-Use	\$0	0
Residential	\$19,596,000	4
Total	\$67,833,000	33

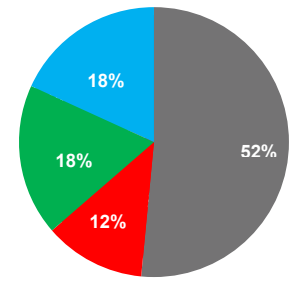
There are several residential projects due to commence in the 1st half of 2023, which will add 5 townhouses, 24 units/apartments, and 235 lots. A major residential project in the 1st half of 2023 is the Oak Estate (\$8.9M). This project is set to reconfigure a lot into 198 Lots, including associated road and native vegetation works.

6 industrial projects are planned for the 1st half 2023, including: 28 Arc Circuit Warehouse (\$5.0M) and 111 Kaitlers Road Electrical Warehouse Showroom (\$3.8M). These will assist in addressing the current undersupply, especially from a leasing perspective. That said should demand continue in its current trajectory competition for industrial will remain tight, putting a pressure on prices.

Projects by Value



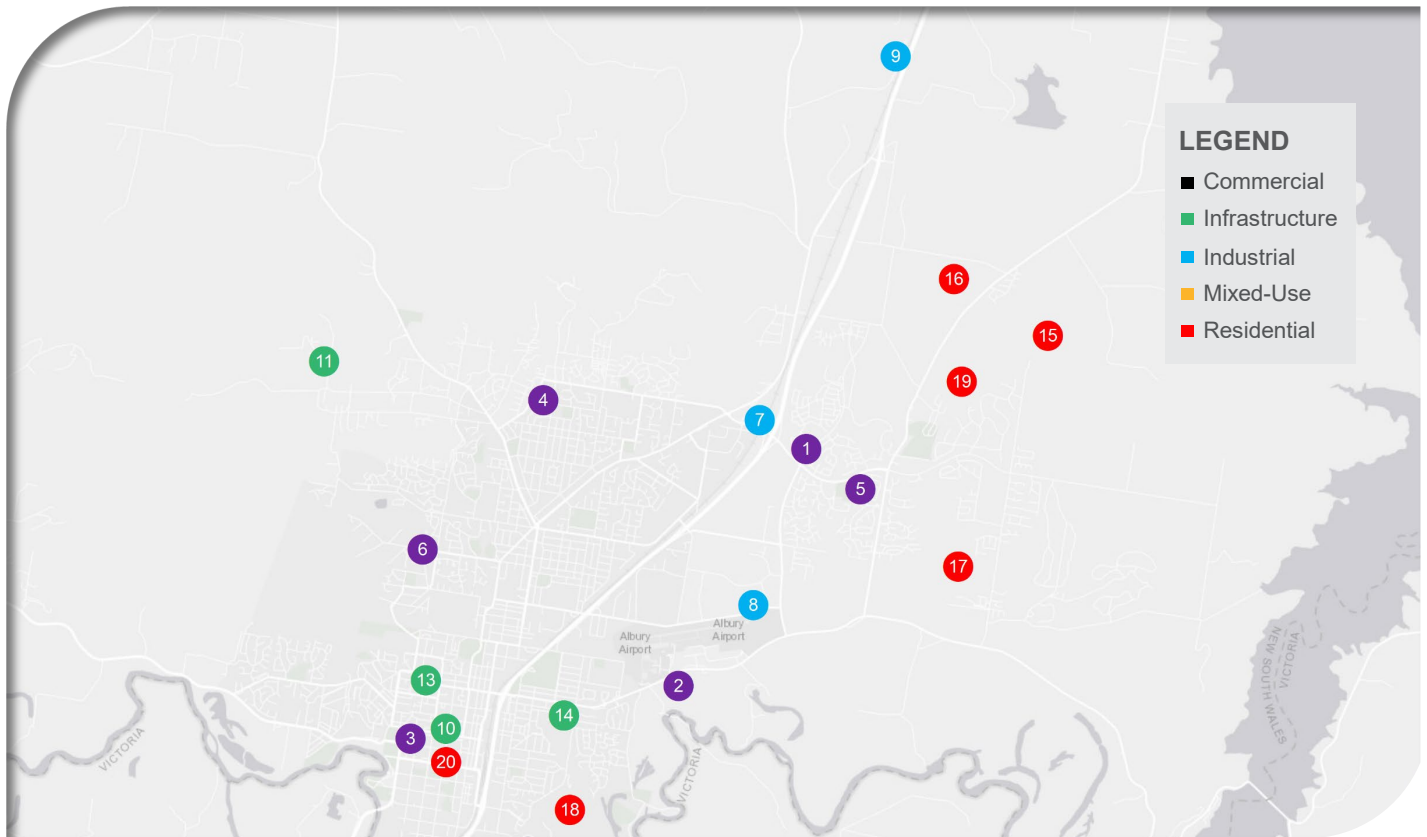
Projects by Count



■ Commercial ■ Industrial ■ Residential
■ Infrastructure

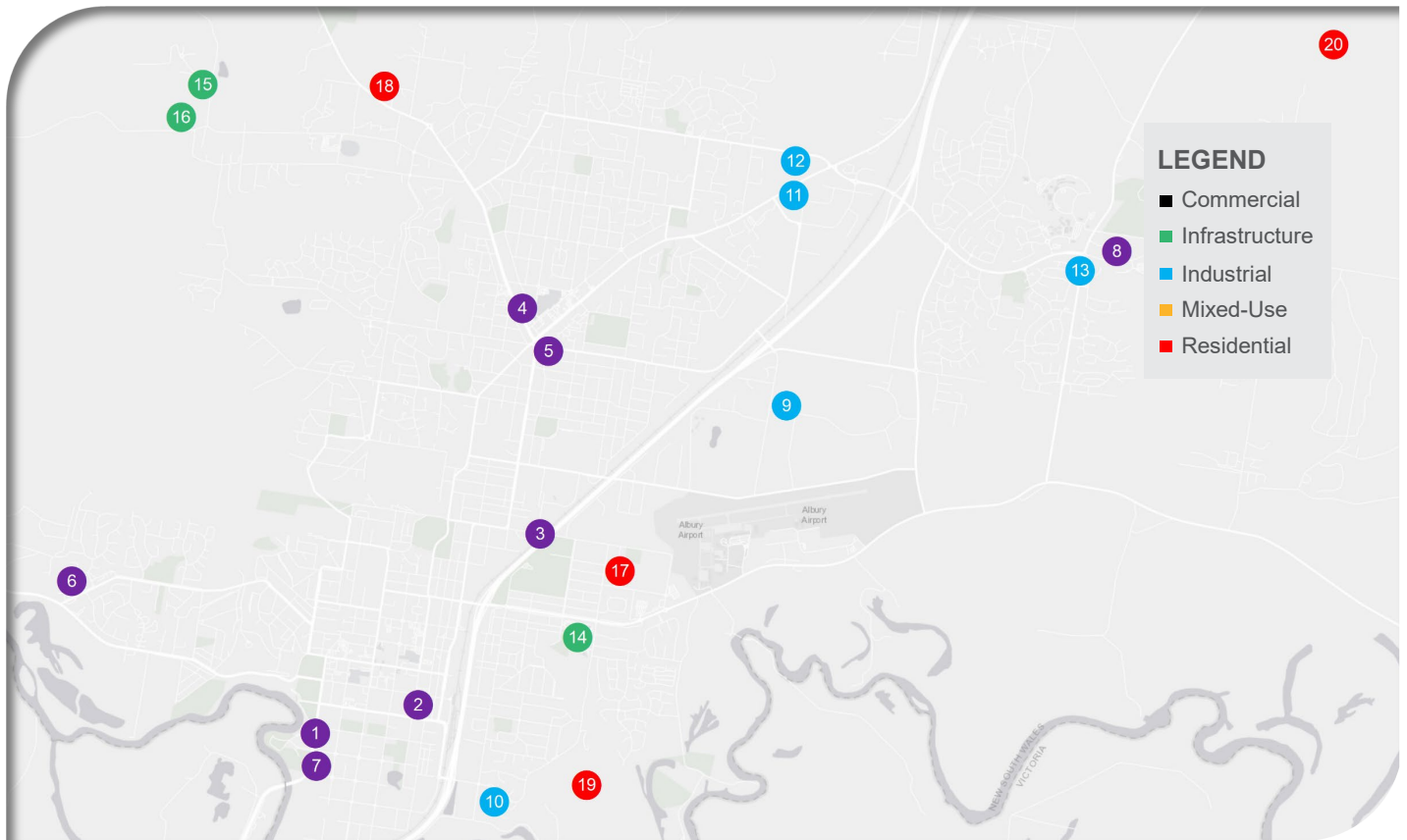
*Norwest market data and key indicators encapsulates aggregate property market conditions in the Local Government Area of Albury. **2022-2024 dates are based on project commencement dates obtained for each project and are approximate only, as provided by the relevant data authority. PRD does not hold any liability to the exact date. #Estimated value is the value of construction costs provided by relevant data authority, and do not reflect the project's sale/commercial value. *Annual breakdown of projects is presented for proceeding projects in Norwest* by development type and year of scheduled commencement. Source: Cordell Connect. © Copyright PRD 2023.

TOP PROJECT DEVELOPMENT MAP 2022 - 2024*



Location	Project**	Type	Estimated Value***	Commence Date****
1	Elizabeth Mitchell Drive Medical Centre	Commercial	\$5,223,000	14/07/2023
2	24 Boundary Road Commercial & Industrial Development	Commercial	\$5,800,000	07/05/2024
3	Wodonga Place & Smollett Street Mixed Use Development	Commercial	\$39,200,000	26/09/2022
4	143 Kaitlers Road & Woolpoint Court Light Industrial Units	Commercial	\$6,732,000	09/07/2023
5	100 Table Top Road & 16 Lindisfarne Court Self Contained Dwellings Stage 9	Commercial	\$8,414,000	08/11/2023
6	Albury Valley Views	Commercial	\$14,000,000	24/01/2023
7	4 Travelstop Way & Thurgoona Drive Factory Stages 1 & 2	Industrial	\$6,123,000	16/04/2024
8	12 Fallon Street Industrial Warehouse	Industrial	\$11,341,000	12/03/2024
9	160 Hub Road & Hume Highway Warehouses	Industrial	\$10,725,000	11/09/2023
10	Albury Courthouse	Infrastructure	\$5,629,000	11/04/2022
11	Albury Waste Management Centre Material Recovery Facility	Infrastructure	\$7,500,000	01/03/2023
12	Albury - Wodonga Base Hospital Emergency Department Expansion	Infrastructure	\$29,315,000	05/09/2022
13	Australian Rail Track Corporation Beveridge To Albury T2a Tranche 1(northern Section) B2a	Infrastructure	\$150,000,000	12/06/2024
14	Albury Base Hospital Redevelopment Stages 1-3	Infrastructure	\$558,000,000	05/08/2024
15	The Oaks Estate Stages 1-6 (198 Lots)	Residential	\$8,910,000	30/01/2023
16	Williams Road Estate Stages 1-8 (445 Lots)	Residential	\$20,025,000	30/03/2024
17	Woolshed Estate Stages 6-10 (161 Lots)	Residential	\$7,245,000	02/05/2024
18	New South Wales Land and Housing Corporation - East Albury (24 Units)	Residential	\$7,000,000	15/05/2023
19	Brooklyn Fields Estate Stages 6-15 (664 Lots)	Residential	\$29,880,000	11/05/2024
20	424 & 426 Olive & Hume Streets Apartments (23 Units)	Residential	\$15,537,000	13/10/2023

TOP PROJECT DEVELOPMENT MAP 1H 2023*



Location	Project**	Type	Estimated Value***	Commence Date****
1	BP Border	Commercial	\$2,079,000	03/04/2023
2	House Of Chiropractic	Commercial	\$1,228,000	09/01/2023
3	250 North Street Service Station	Commercial	\$1,640,000	06/05/2023
4	7 Eleven Service Station - 342 Urana Road Lavington	Commercial	\$1,739,000	27/02/2023
5	Mate & Corella Streets Community & Commercial Development	Commercial	\$2,035,000	09/05/2023
6	West Albury Clinic	Commercial	\$2,822,000	15/05/2023
7	Wodonga Place & Nurigong Street Retail Premises	Commercial	\$2,700,000	28/05/2023
8	Diamond Drive Community & Commercial Development	Commercial	\$2,400,000	13/06/2023
9	142 Ceres Drive Warehouses	Industrial	\$1,235,000	01/02/2023
10	29 Ruby Court Warehouses	Industrial	\$976,000	09/03/2023
11	Wagga & Dallinger Roads Self Storage Units - Storage King	Industrial	\$3,463,000	03/04/2023
12	111 Kaitlers Road Middys Electrical Warehouse Showroom	Industrial	\$3,800,000	09/01/2023
13	28 Arc Circuit Warehouse	Industrial	\$4,969,000	23/02/2023
14	Albury Wodonga Hospital Negative Pressure Rooms	Infrastructure	\$2,000,000	01/05/2023
15	Albury Waste Management Centre Material Recovery Facility	Infrastructure	\$7,500,000	01/03/2023
16	565 Mudge Street Albury Waste Management Centre	Infrastructure	\$1,000,000	02/03/2023
17	712 Lavis Street Townhouses (5 Townhouses)	Residential	\$1,986,000	02/05/2023
18	Urana Road Residential Subdivision (37 Lots)	Residential	\$1,700,000	09/03/2023
19	New South Wales Land and Housing Corporation - East Albury (24 Units)	Residential	\$7,000,000	15/05/2023
20	The Oaks Estate Stages 1-6 (198 Lots)	Residential	\$8,910,000	30/01/2023

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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