



Morisset Market Update

1st Half 2023



OVERVIEW

In Q1 2023, Morisset (postcode 2264)* recorded a median house price of \$835,000. This is an annual (Q1 2022 – Q1 2023) 4.7% growth. On a quarterly basis (Q4 2022 – Q1 2023) median price grew at a faster rate, of 9.3%. House sales decreased annually and quarterly, with Q1 2023 recording the lowest number of sales (68 sales). This suggests that despite cash rate hikes there is still confidence in the market, most probably due to the undersupply of stock. Median unit price softened by -7.0% annually, while quarterly it softened at a lower rate of -5.7%. This creates an opportunity for first home buyers.

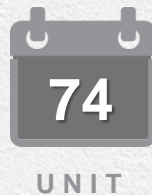
	CHANGE FROM LAST	YEAR	HALF YEAR
	House Sales	↓	↓
	House Median Price	↑	↑
	House Rental Price	↑	↑
	Unit Sales	↑	↓
	Unit Median Price	↓	↓
	Unit Rental Price	↑	↑

MARKET CONDITIONS

SALES MEDIAN PRICE
Q1 2023



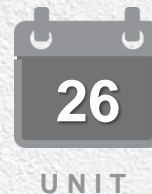
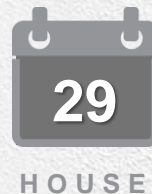
SALES AVERAGE DAYS ON
MARKET Q1 2023



RENTAL MEDIAN PRICE
Q1 2023

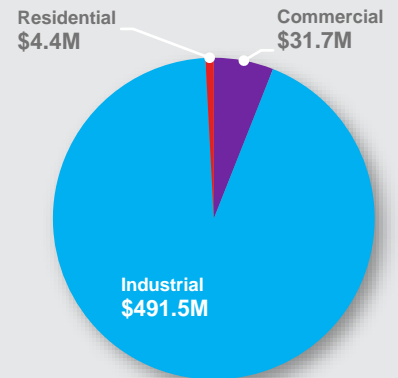


RENTAL AVERAGE DAYS ON
MARKET Q1 2023



FUTURE DEVELOPMENTS

Morisset is set to see approximately **\$527.6M** worth of new projects commencing in the 1st half of 2023.



A focus on industrial projects can stimulate economic growth and create job opportunities in Morisset. This has a potential spill-over impact on the real estate market, in the form of higher demand for housing.

A key industrial project planned for the 1st half of 2023, which is the Eraring Battery Energy Storage System Stage 1. A key commercial development planned is the Trinity Point Resort, which will improve the tourism and hospitality in the area.

Combined these projects will create local jobs, potentially attracting more people to Morisset.

There is only one residential project planned in the 1st half of 2023, the Wyong & Kahibah St Townhouses, adding 15 townhouses. This assist with current market demand.

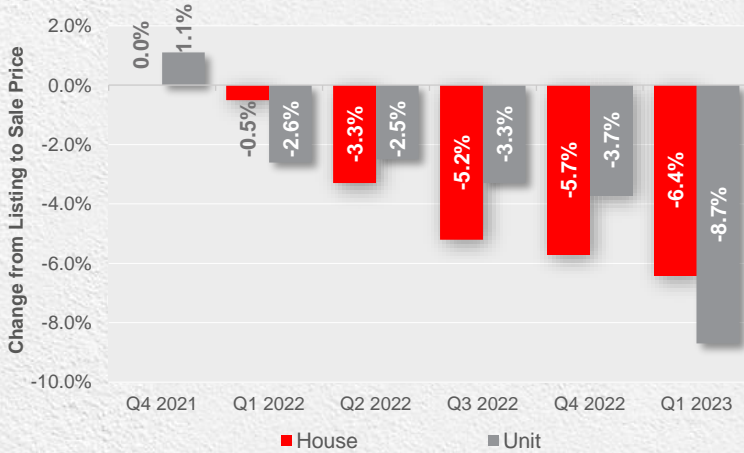
That said an absence of new ready-to-sell houses is concerning, as the market is undersupplied. This puts pressure on the market, increasing prices for local buyers.



15
Townhouses

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.

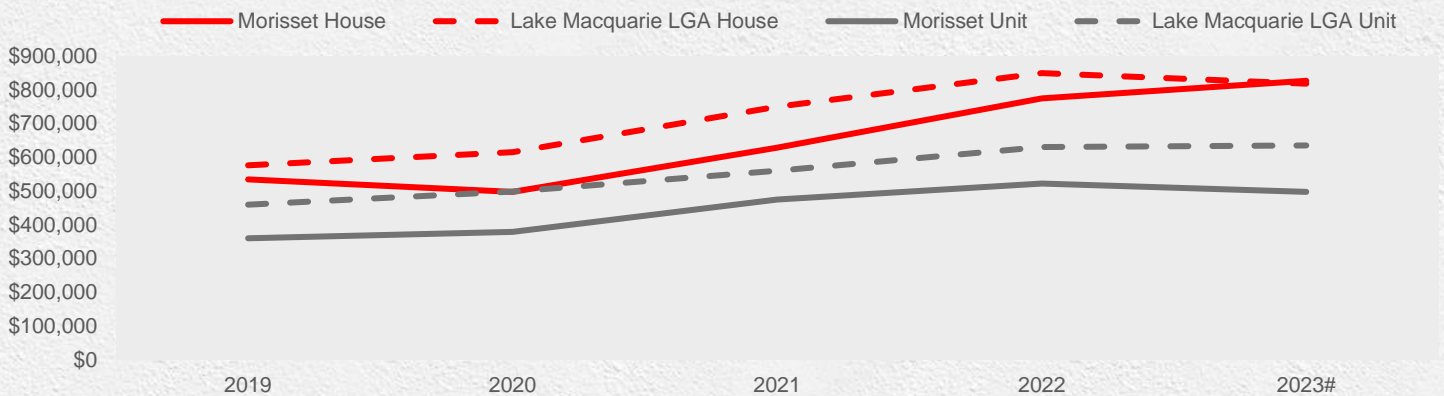


Average vendor discounts between Q1 2022 and Q1 2023 have widened to a higher discount for all property types, to -6.4% (from -0.5%) for houses and to -8.7% (from -2.6%) for units. This suggests a move towards a buyer's market, as sellers are willing to accept lower than the first list price. Now is the time for buyers to enter the market.

The suburb of Morisset has historically offered a more affordable market compared to the Lake Macquarie Local Government Area (LGA). 2023# saw Morisset house prices rising to become on par with the LGA.

The dominant proportion of homes sold in Morisset* across 2022/23# were in the premium price bracket of \$1,000,000 and above (28.8%). Units also recorded a dominant premium price point, of \$525,000 and above (47.6%). The premium market continues to dominate in Morisset*, even with higher average vendor discount for both property types. The most affordable price bracket have also increased, to 26.7% for houses and 9.5% for units, creating an opportunity for first home buyers.

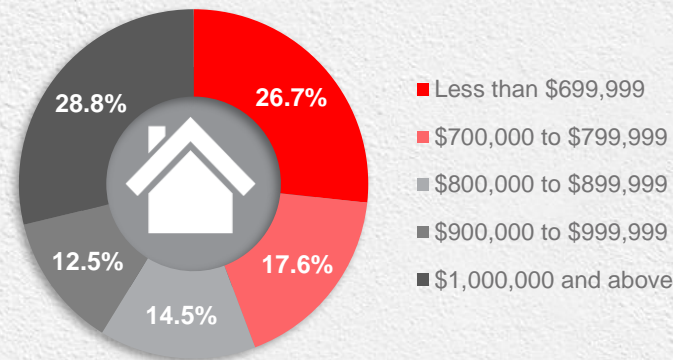
MARKET COMPARISON



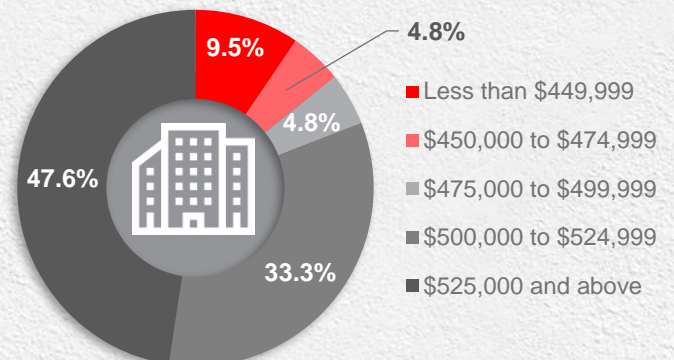
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Morisset.

PRICE BREAKDOWN 2022/23#

HOUSES SOLD



UNITS SOLD

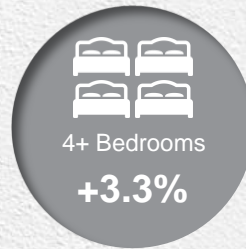


RENTAL GROWTH 2023€

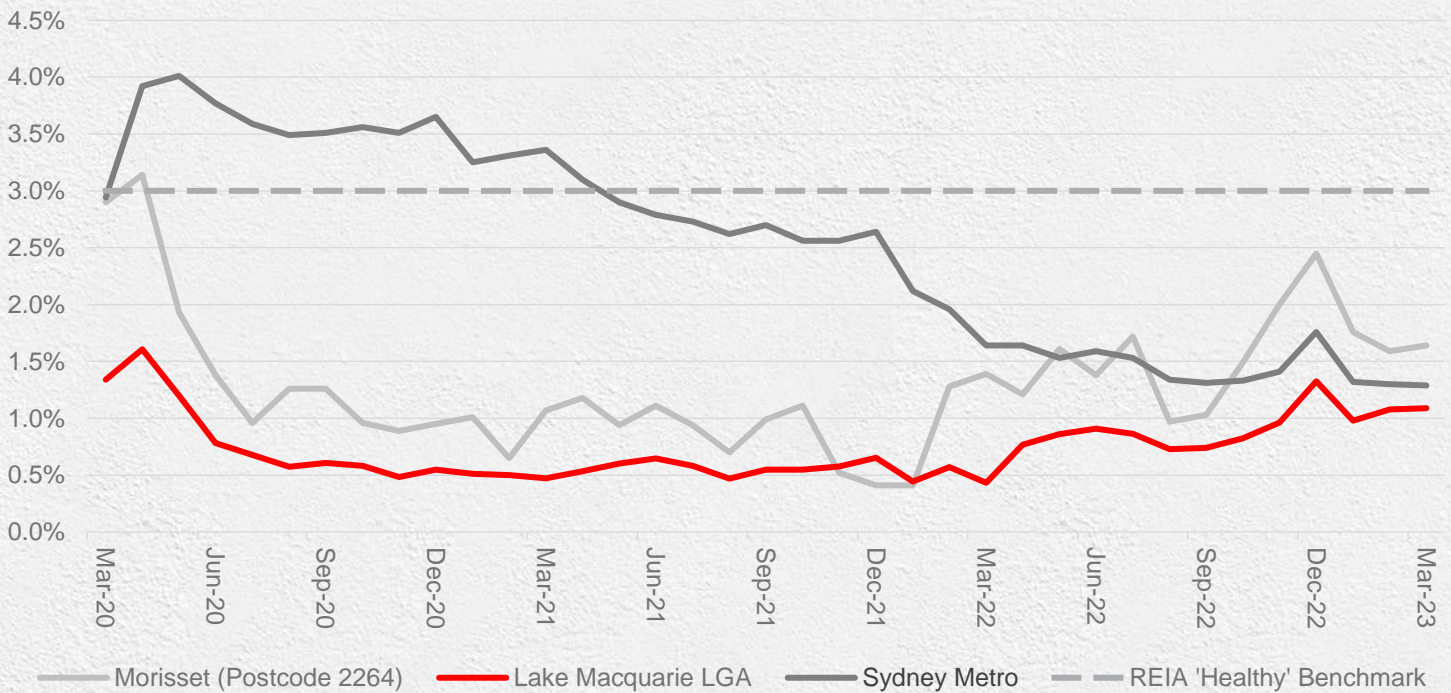
House rental yields in Morisset* were recorded at 3.4% in March 2023, slightly above Sydney Metro (2.9%). This was paired with a 10.0% increase in median house rental price in the past 12 months to Q1 2023, and a 54.5% increase in the number houses rented. Average days on the market remained low at 29 days. This confirms there is a healthy level of rental demand in Morisset*, thus a more attractive and affordable investment option compared to Sydney Metro.

2 bedroom houses have provided investors with +15.8% rental growth annually, with a median rent of \$440 per week.

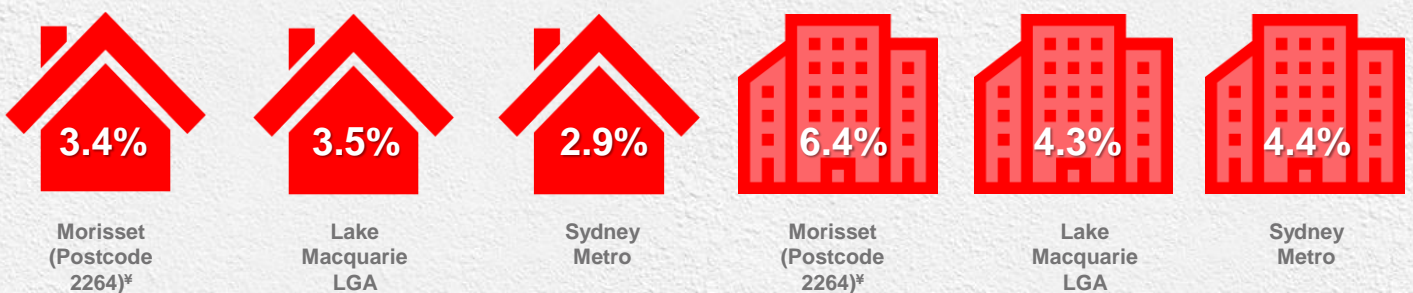
Morisset* (postcode 2264) recorded a vacancy rate of 1.6% in March 2023, which is above Sydney Metro's 1.3% average. Vacancy rates in Morisset have slightly fluctuated in the past 18 months, with an uptick in the past 6-8 months due to investors re-entering the market. That said vacancy rates in Morisset* have declined again in early 2023#, and still within the Real Estate Institute of Australia's healthy benchmark of 3.0%. This suggests a high yielding environment for investors.



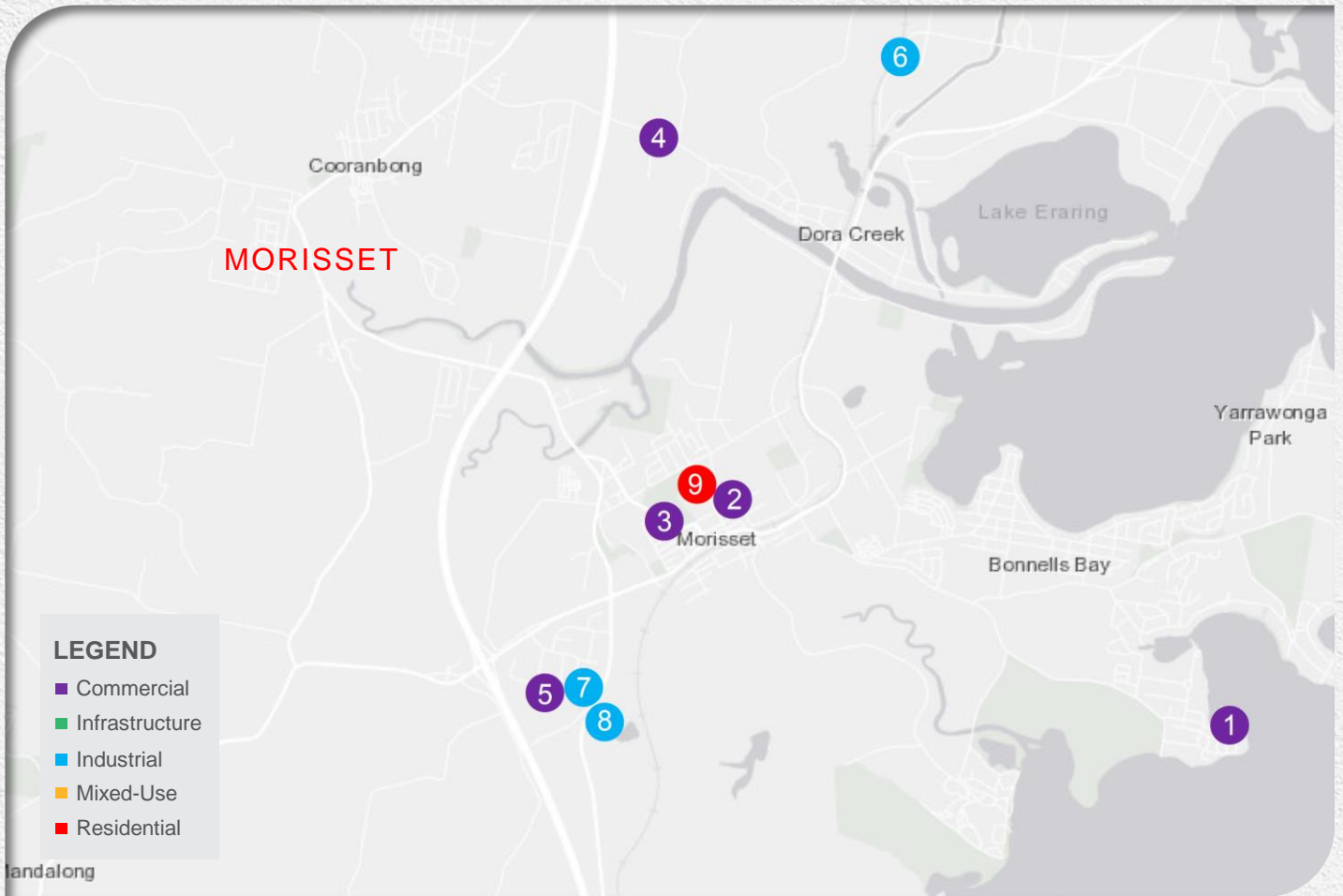
RENTAL VACANCY RATES 2023



RENTAL YIELD 2023\$



TOP DEVELOPMENTS MAP 1st HALF 2023^A



Location	Project [£]	Type	Estimated Value [!]	Commence Date ^ψ
1	Trinity Point Marina & Tourism Development - Pullman Trinity Point Resort	Commercial	\$24,615,000	22/05/2023
2	20 Yambo Street Serviced Apartments	Commercial	\$4,536,000	23/05/2023
3	25-29 Wyong & Kahibah Streets Group Home	Commercial	\$1,424,000	06/06/2023
4	Jones Road Poultry Shed	Commercial	\$650,000	14/03/2023
5	33 Accolade Avenue Light Industrial Building	Commercial	\$450,000	24/01/2023
6	Eraring Battery Energy Storage System Stage 1	Industrial	\$490,000,000	19/06/2023
7	13 Prosperity Close Warehouse Building	Industrial	\$1,100,000	10/01/2023
8	37 Accolade Avenue Industrial Building	Industrial	\$391,000	01/03/2023
9	25-29 Wyong & Kahibah Streets Townhouses (15 townhouses)	Residential	\$4,423,000	10/06/2023

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.



Ben Lawson

Principal

M +61 412 552 024

E ben.lawson@prdcc.com.au



PRD Morisset

P +61 2 4973 3111

PRD.com.au/morisset

**5/95 Dora Street
Morisset NSW 2264**

REFERENCES

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

** Estimated values are based on construction value provided by the relevant data authority and does not reflect commercial and/or re-sale value.

2023 encapsulates sales transactions for Quarter 1 (01/01/2023 – 31/3/2023) only.

€ Annual rental growth is a comparison between Quarter 1 2022 (01/01/2022 – 31/3/2022) and Quarter 1 2023 (01/01/2023 – 31/3/2023) house median rent figures.

¥ Morisset rental market data encapsulates aggregate property conditions within the postcode of 2264.

§ Rental yields shown are as reported as of March 2023.

⌘ 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.

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.

Disclaimer: PRD does not give any warranty in relation to the accuracy of the information contained in this report. If you intend to rely upon the information contained herein, you must take note that the information, figures and projections have been provided by various sources and have not been verified by us. We have no belief one way or the other in relation to the accuracy of such information, figures and projections. PRD will not be liable for any loss or damage resulting from any statement, figure, calculation or any other information that you rely upon that is contained in the material.

Prepared by PRD Research. © All medians and volumes are calculated by PRD Research. Use with written permission only. All other responsibilities disclaimed. © Copyright PRD 2023.

