



Hunter Valley Market Update 2nd Half 2023



OVERVIEW

In Q2 2023, Hunter Valley* recorded a median house price of \$703,000, and a median unit price of \$525,000. This represents annual (Q2 2022 – Q1 2023) median price growth of 1.2% for houses and 15.0% for units. Hunter Valley* saw continuous price growth in the past two quarters (Q1 and Q2 2023) after seeing a slight dip in Q4 2022; suggesting a market recovery even with cash rate hikes. In the past 12 months to Q2 2023 house sales declined by -19.9% (to 189 sales), which suggests a market undersupply underpins price growth. Confidence has returned to Hunter Valley*, with properties in high demand.

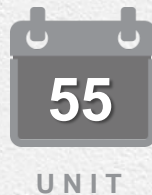
	CHANGE FROM LAST	YEAR	HALF YEAR
	House Sales	↓	↓
	House Median Price	↑	↑
	House Rental Price	↑	↑
	Unit Sales	↑	↑
	Unit Median Price	↑	↑
	Unit Rental Price	↑	↔

MARKET CONDITIONS

SALES MEDIAN PRICE Q2 2023



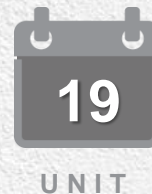
SALES AVERAGE DAYS ON MARKET Q2 2023



RENTAL MEDIAN PRICE Q2 2023

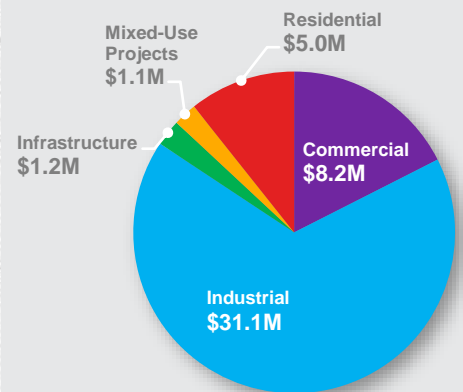


RENTAL AVERAGE DAYS ON MARKET Q2 2023



FUTURE DEVELOPMENTS

Hunter Valley is set to see approximately **\$46.5M** worth of new projects commencing in the 2nd half of 2023.



These projects will stimulate economic growth and create large employment opportunities in Hunter Valley, which should have a positive spill-over impact on the real estate market.

A main commercial project over the 2nd half of 2023 is Symrise Pet Food Manufacturing Facility. Local employment opportunities will stem from this development, stimulating the local economy further.

Key residential projects include:

- Raymond Terrace Road (4 units)
- Wilton Drive (4 units)
- Newcastle St Villa (7 dwellings)
- High Street (4 dwellings).

Although there is new ready-to-sell supply planned, this still does not match current demand. This will put more pressure on already growing property prices. There is still room for developers to enter and offer more housing stock.



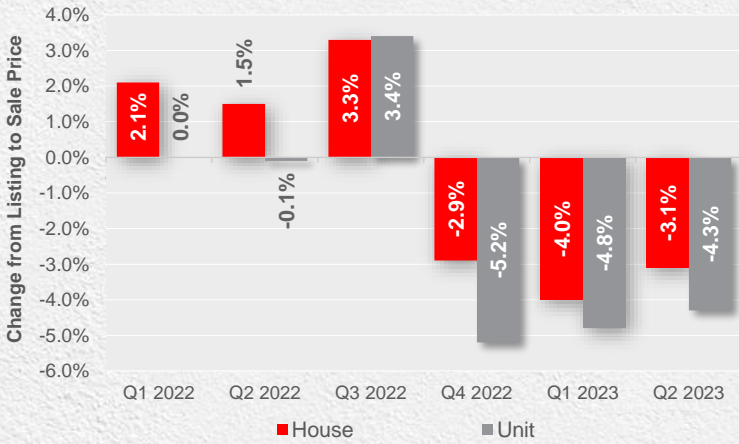
11 Units/
Apartments



11
Dwellings

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.

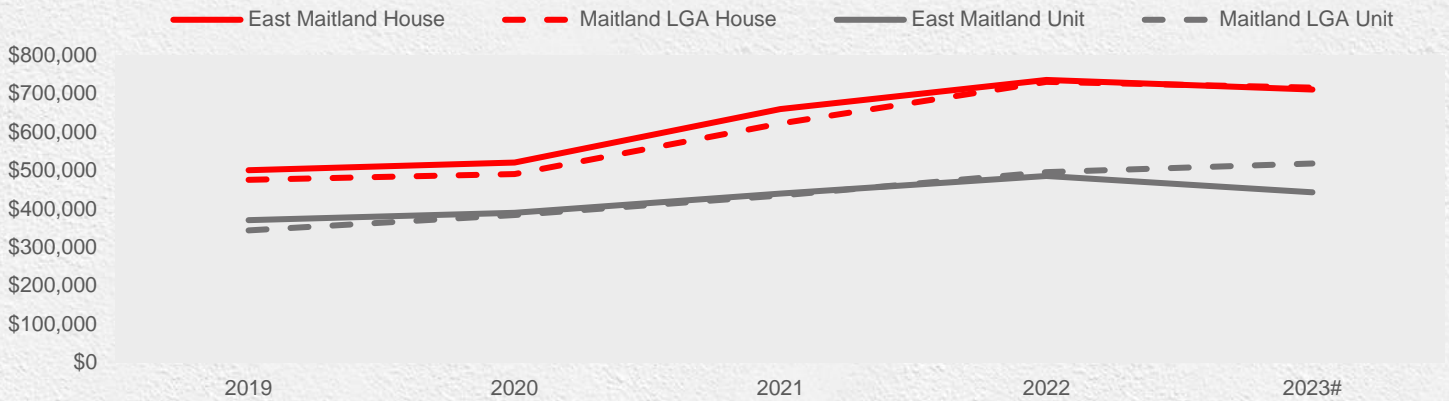


Average vendor discounts between Q4 2021 and Q4 2022 have swung to a discount of -3.1% for houses and widened to a higher discount of -4.3% for units. Market conditions in Hunter Valley* have shifted to favour buyers, as vendors are willing to accept below the initial list price. That said Q2 2023 average vendor discount is slightly tighter than Q1 2023, thus buyers looking for an affordable option must act fast.

The suburb of East Maitland has historically perform on par with the wider Maitland Local Government Area (LGA) in both house and unit median prices. 2023# thus far has seen East Maitland trend below Maitland LGA.

The dominant proportion of homes sold in Hunter Valley* across 2023# were in the middle-ring between \$600,000 to \$700,000 (26.6%). Units also recorded a dominant mid-range price point of between \$400,000-\$499,000 (27.2%). Affordable options are available, however the premium market is also trending strong, with 16.6% of house stock selling above \$900,000.

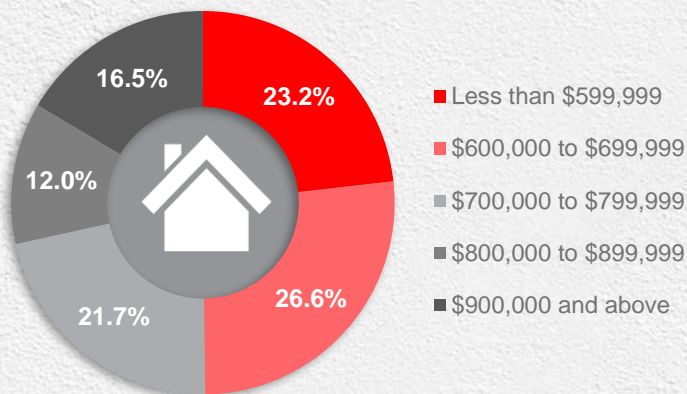
MARKET COMPARISON



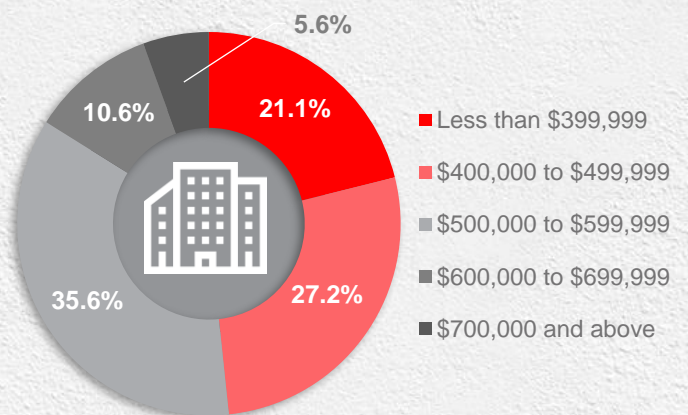
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled are chosen based on their proximity to the main suburb analysed, which is East Maitland.

PRICE BREAKDOWN 2022#

HOUSES SOLD



UNITS SOLD

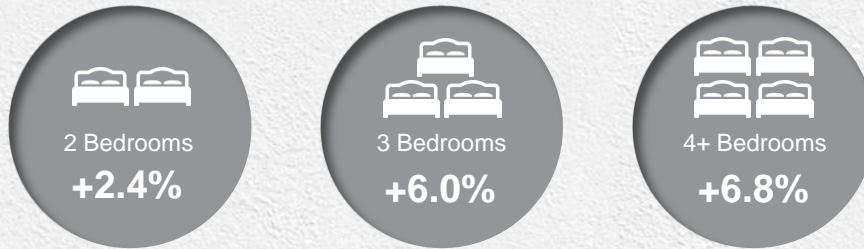


RENTAL GROWTH 2023€

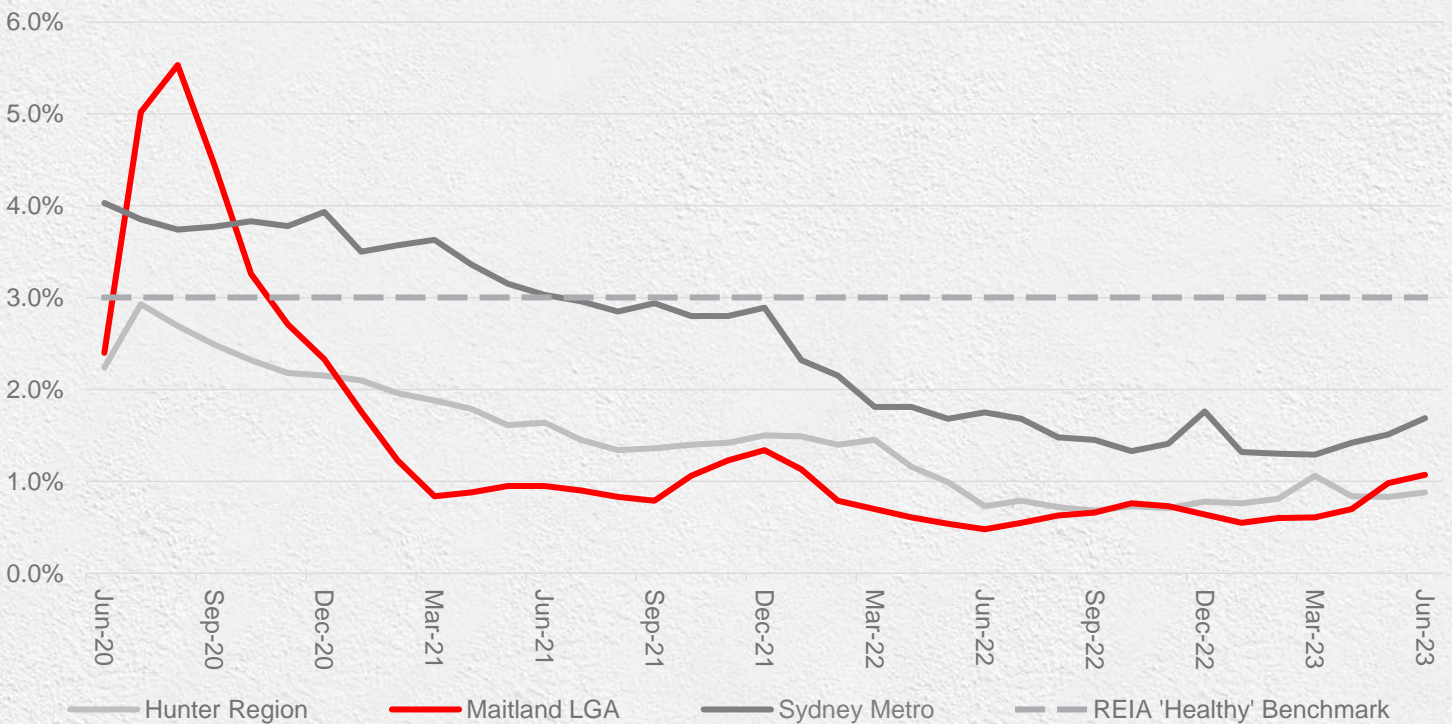
House rental yields in the Hunter Region were recorded at 3.7% in June 2023, higher than Sydney Metro (2.8%). In the 12 months to Q2 2023, the median house rental price increased by 5.5% to sit at \$580 per week, while the number of houses rented declined -1.2% (to 167 rentals). Average days on the market remained low at 22 days. The same pattern can be seen in the unit market, thus confirming an undersupplied rental market in Hunter Region.

4+ bedroom houses have provided investors with +6.8% rental growth annually, achieving a median rent of \$630 per week.

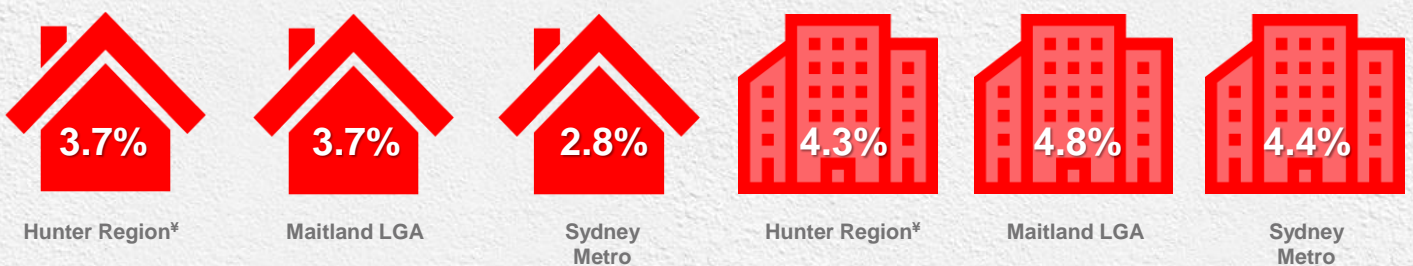
Hunter Region* recorded a vacancy rate of 0.9% in June 2023, slightly below Sydney Metro's 1.7% average. Vacancy rates in the Hunter Region* remain well below the Real Estate Institute of Australia's healthy benchmark of 3.0%, trending stable sitting under 1.0% for the past 18 months. There is a healthy level of rental demand and investors can be confident of a conducive investment environment, even if property sale prices have started to recover in the past 6 months to Q2 2023.



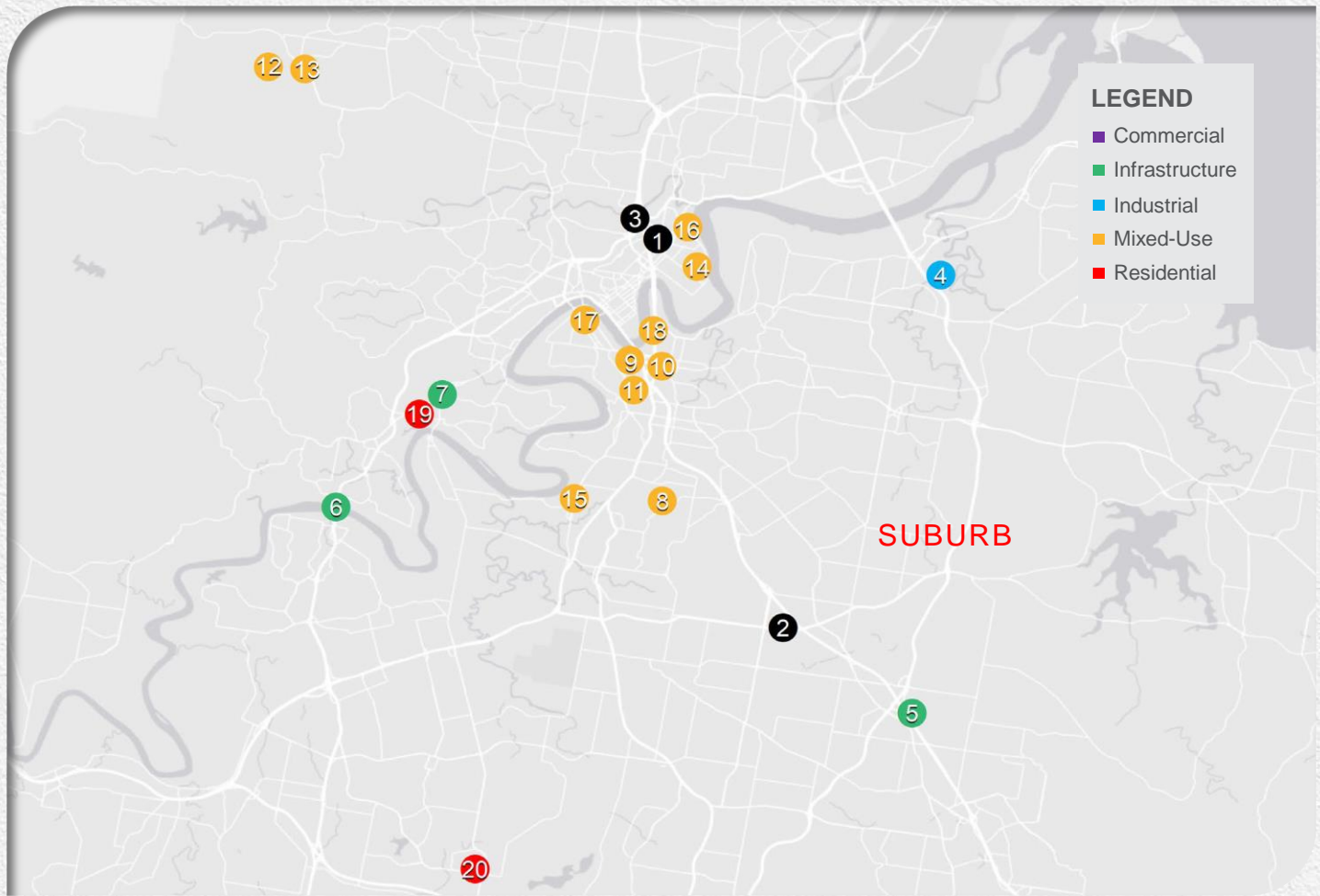
RENTAL VACANCY RATES 2023



RENTAL YIELD 2023\$



TOP DEVELOPMENTS MAP 2nd HALF 2023^A



Location	Project [£]	Type	Estimated Value [¥]	Commence Date [¥]
1	435 New England Highway Commercial & Industrial Development	Commercial	\$6,200,000	12/10/2023
2	Rspca Nsw Hunter Shelter	Commercial	\$1,700,000	31/07/2023
3	114 Lawes Street Medical Surgery	Commercial	\$250,000	06/09/2023
4	Symrise Pet Food Manufacturing Facility	Industrial	\$28,560,000	13/12/2023
5	Bunnings Maitland	Industrial	\$2,500,000	08/09/2023
6	Maitland City Council Sports Lighting Upgrade	Infrastructure	\$750,000	04/09/2023
7	Waterworks Road Emergency Services Facility Alterations & Additions	Infrastructure	\$477,000	01/12/2023
8	34 Melbourne Street Shop Top Housing (3 units)	Mixed-use	\$1,100,000	16/11/2023
9	15 Raymond Terrace Road Units (4 units)	Residential	\$1,603,000	28/12/2023
10	13 Wilton Drive Units (4 units)	Residential	\$1,300,000	19/12/2023
11	199 Newcastle Street Villas (7 villas)	Residential	\$1,259,000	24/11/2023
12	7, 333 High Streets – Dwellings (4 dwellings)	Residential	\$810,000	06/12/2023



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

* Hunter Valley market data and key indicators encapsulates aggregate property market conditions within the suburbs of Aberglasslyn, Ashtonfield, East Maitland, Maitland, Rutherford and Thornton.

** 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 1H 2023 (01/01/2023 – 30/06/2023) only.

€ Annual rental growth is a comparison between Q2 2022 (01/04/2022 – 30/06/2022) and Q2 2023 (01/04/2023 – 30/06/2023) house median rent figures.

¥ Hunter Region market data encapsulates aggregate property conditions within the postcode of 2320, 2321, 2322, and 2323.

§ Rental yields shown are as reported as of June 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 Aberglasslyn, Ashtonfield, East Maitland, Maitland, Rutherford and Thornton .

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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