



Upper Hunter Market Update 2nd Half 2023



OVERVIEW

In Q2 2023, Upper Hunter* recorded a median house price of \$515,000 and a median unit price of \$312,500. This represents annual (Q2 2022 – Q2 2023) median price growth of 10.8%, while median unit price softened by -17.8%. Total sales declined between Q2 2022 – Q2 2023, by -21.8% (to 190 sales) for houses. This suggests properties are in high demand in the Upper Hunter and there is an undersupply for houses, as price growth is alongside lower sales volumes. The supply imbalance has created a buffer against higher interest rates, thus an opportune time for sellers to capitalise on their investment.

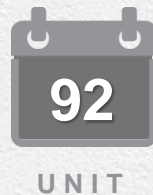
	CHANGE FROM LAST	YEAR	HALF YEAR
	House Sales	↓	↓
	House Median Price	↑	↑
	House Rental Price	↑	↑
	Unit Sales	↑	↑
	Unit Median Price	↓	↓
	Unit Rental Price	↓	↑

MARKET CONDITIONS

SALES MEDIAN PRICE Q2 2023



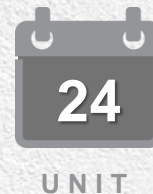
SALES AVERAGE DAYS ON MARKET Q2 2023



RENTAL MEDIAN PRICE Q2 2023

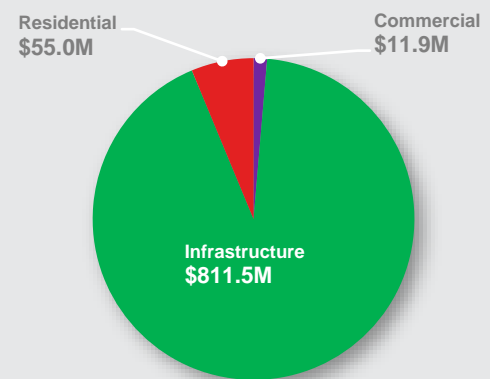


RENTAL AVERAGE DAYS ON MARKET Q2 2023



FUTURE DEVELOPMENTS

Upper Hunter is set to see approximately **\$878.4M** worth of new projects commencing in the 2nd half of 2023.

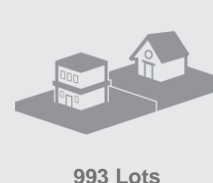


A focus on infrastructure projects will stimulate economic growth and create employment opportunities in Upper Hunter*. These projects will also improve liveability for residents. This can result in more people wanting to live in the area, thus increasing demand for housing

A key infrastructure project for the 2nd half of 2023 is the Singleton Bypass. This project will see the design and construction of approx. 8km of new highway.

Two residential projects over the 2nd half of 2023 is the Ironbark Ridge Lots (600 lots) and Gundy Road Residential Subdivision (393 lots). These developments will help with future residential supply in the Upper Hunter.

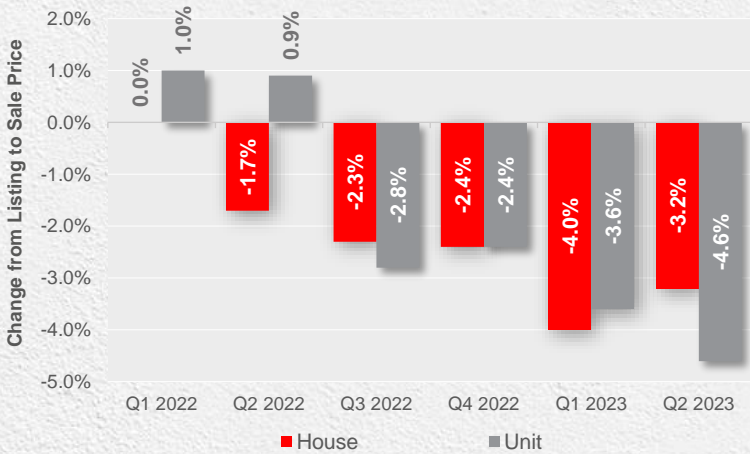
That said new ready-to-sell stand alone houses remain absent from the development pipeline. With the current demand this will continue to put pressure on the median house price and thus growth will remain in the upwards trajectory.



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.

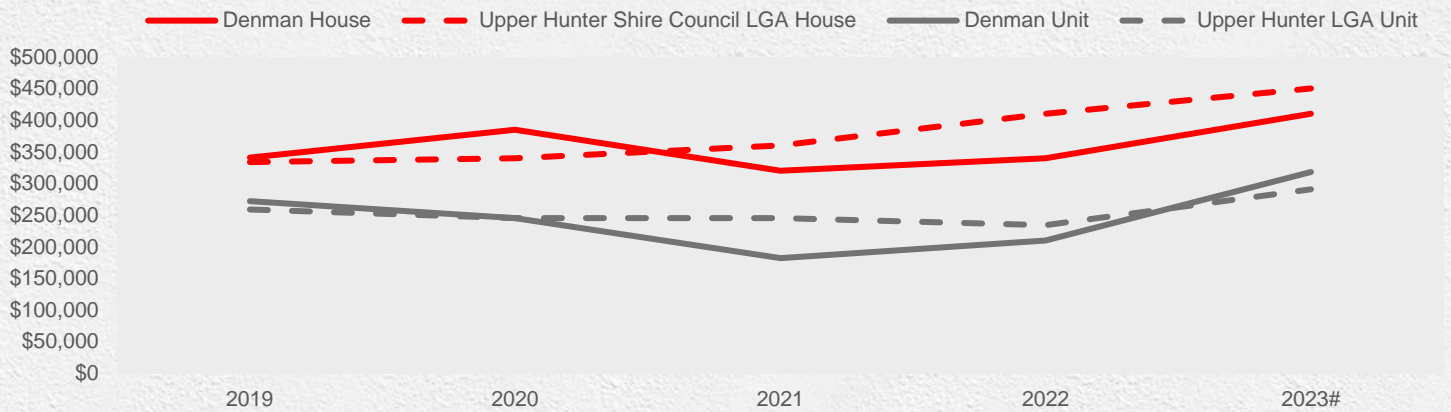
Average vendor discounts between Q2 2022 and Q2 2023 have widened to a larger discount of -3.2% for houses, while for units it swung from a premium to a discount -4.6%. Market conditions in Upper Hunter now favour buyers, with Q2 2023 recording some of the highest average vendor discounts.



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 dominant proportion of homes sold in Upper Hunter* across 2023# were in the premium price point of above \$600,000 (29.7%). Units also had a dominant premium price point, of \$400,000 and above (35.8%). That said, there is a relatively healthy balance of price points available in both markets, with 7.5%-8.5% sold at the most affordable price points.

MARKET COMPARISON

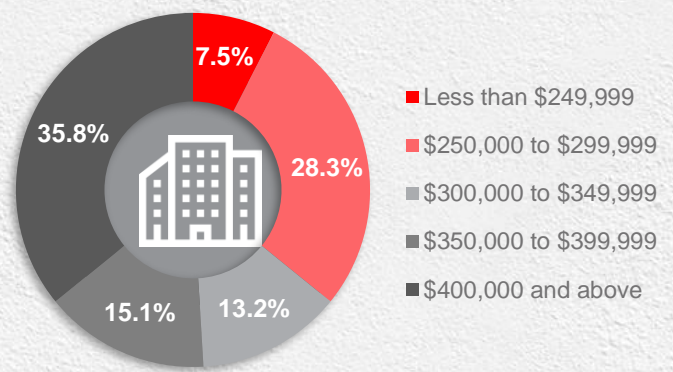
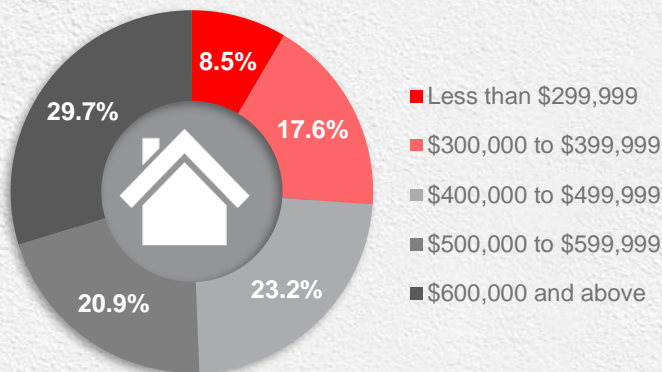


The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Denman.

PRICE BREAKDOWN 2023#

HOUSES SOLD

UNITS SOLD

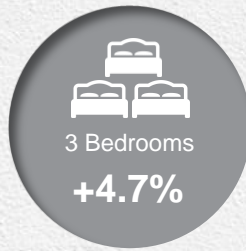


RENTAL GROWTH 2023€

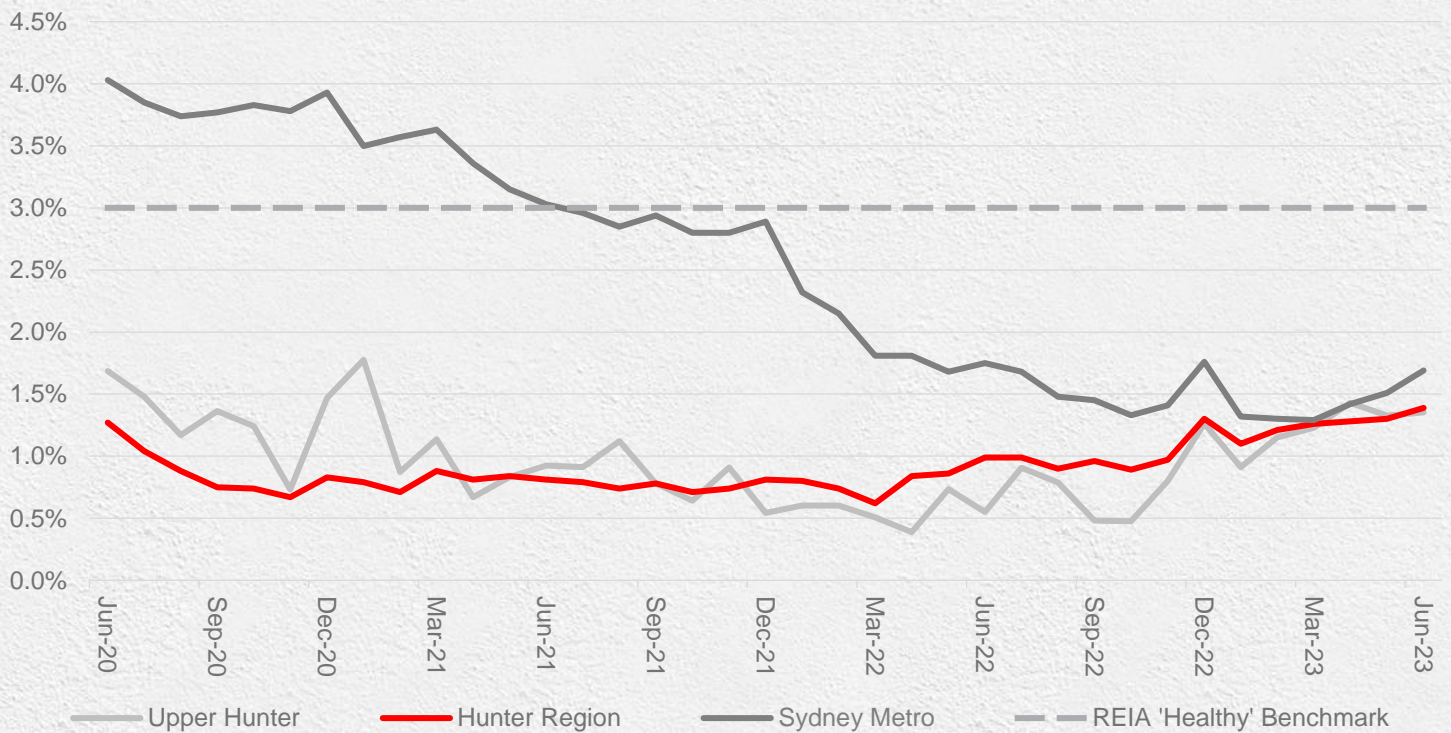
In June 2023, house rental yields in Upper Hunter were recorded at 4.3%, well above Sydney Metro (2.8%). In the past 12 months to Q2 2023 median house rental price increased by 8.5% (to \$510 per week) whilst the number of houses rented remained stable (109 rentals). Average days on market also remained stable, at a low 20 days. Overall this represents a resilient rental market in Upper Hunter, which has a more affordable investment entry price compared to Sydney Metro.

4+ bedroom houses have provided investors with +14.6% rental growth annually, achieving a median rent of \$550 per week.

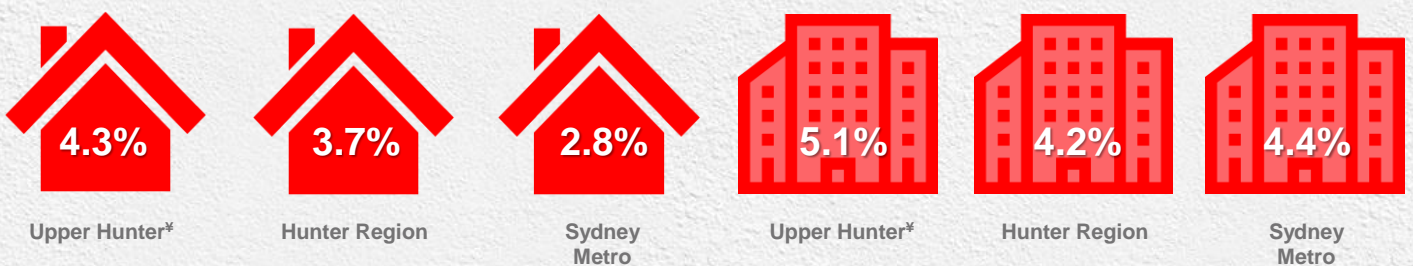
Upper Hunter* recorded a vacancy rate of 1.4% in June 2023, slightly below Sydney Metro's 1.7% average. Vacancy rates in Upper Hunter* have increased steadily in the past 12 months, due to investors coming back into the market. However it is still below the above the Real Estate Institute of Australia's healthy 3.0% benchmark, thus quicker rental occupancy. These indicators suggest a conducive environment for investors, despite the increase in median sale prices in the past 12 months.



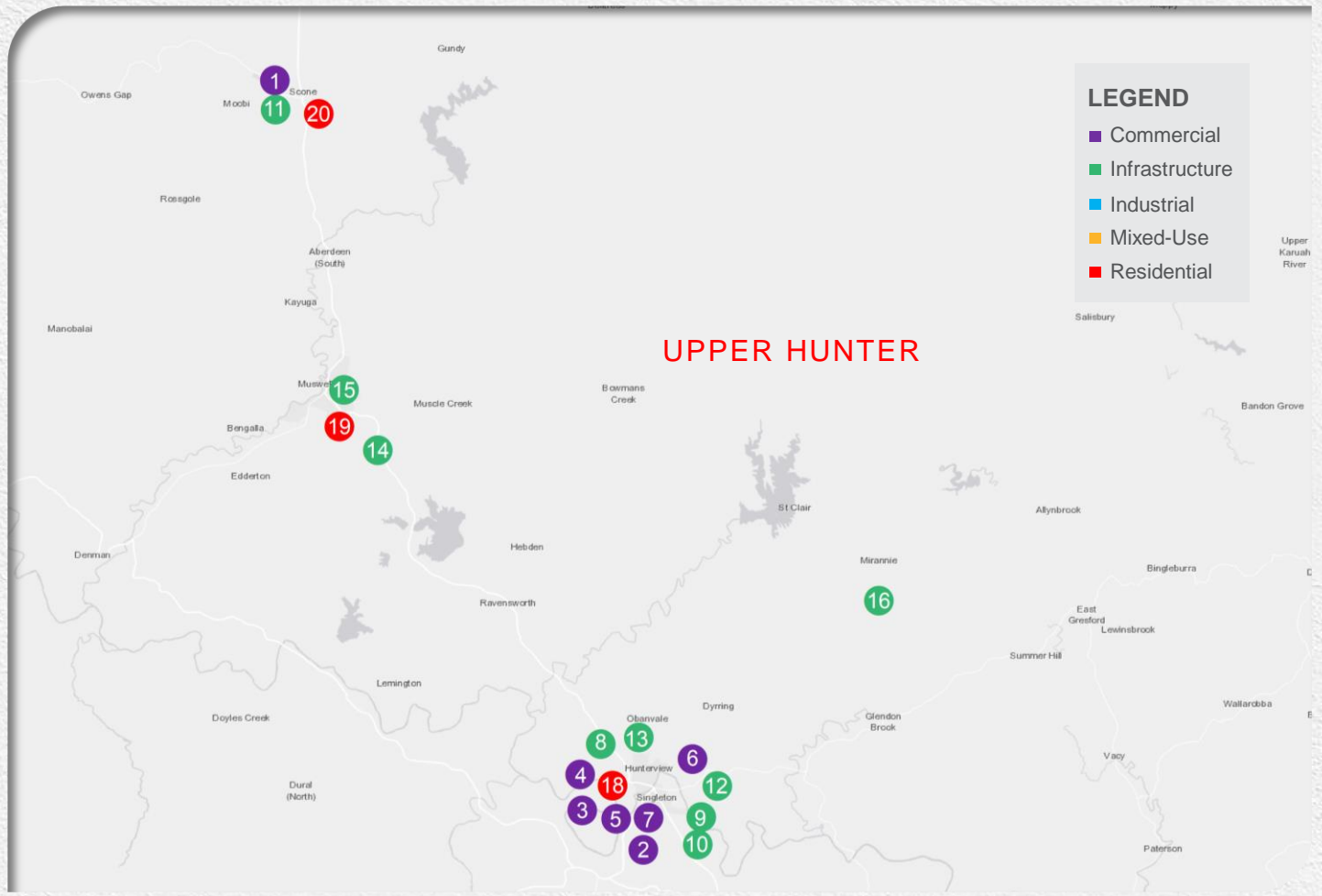
RENTAL VACANCY RATES 2023



RENTAL YIELD 2023\$



TOP DEVELOPMENTS MAP 2nd HALF 2023[▲]



Location	Project [£]	Type	Estimated Value [Ⓜ]	Commence Date [Ⓜ]
1	The Royal Hotel Alterations & Additions	Commercial	\$2,000,000	06/12/2023
2	Bathurst Street Boarding Houses	Commercial	\$1,041,000	06/12/2023
3	9 & 11 Ryan Avenue Car Wash Facility	Commercial	\$1,300,000	15/12/2023
4	Singleton Diggers Club	Commercial	\$1,500,000	17/10/2023
5	Singleton Golf Club Alterations & Additions	Commercial	\$1,617,000	14/11/2023
6	Woolworths Singleton	Commercial	\$1,700,000	25/12/2023
7	35,37 & 37a William Street Club Singleton Club Building Alterations & Additions	Commercial	\$1,768,000	06/10/2023
8	New England Highway Bypass Project	Infrastructure	\$1,000,000	11/08/2023
9	Singleton Hospital Electrical Upgrades	Infrastructure	\$1,890,000	31/08/2023
10	Singleton Bypass	Infrastructure	\$700,000,000	04/12/2023
11	Scone Grammar School - Additions	Infrastructure	\$5,000,000	25/12/2023
12	Brunners Bridge Renewal	Infrastructure	\$5,500,000	11/10/2023
13	Alroy Oval Precinct Masterplan	Infrastructure	\$6,000,000	25/07/2023
14	Bayswater Power Station Upgrade Woaoow Project	Infrastructure	\$40,000,000	08/12/2023
15	Muswellbrook Hospital - Stage 3	Infrastructure	\$45,000,000	04/12/2023
16	Mirannie Road Widening	Infrastructure	\$900,000	24/07/2023
17	Lone Pine Barracks	Infrastructure	\$800,000	20/10/2023
18	2 Rawcliffe & Wynyard Streets Units (12 units)	Residential	\$3,500,000	10/11/2023
19	Ironbark Ridge (600 units)	Residential	\$24,000,000	16/10/2023
20	150 Gundy Road Residential Subdivision (393 lots)	Residential	\$27,500,000	07/08/2023



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.

2023 encapsulates sales transactions for Q1 and Q2 2023 (01/01/2023 – 30/6/2023) 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.

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

§ 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 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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