

Ballarat Market Update

1st Half 2024



OVERVIEW

In Q4 2023, Ballarat* recorded a median house price of \$555,000, and a median unit price of \$385,000. This represents annual (Q4 2022 – Q4 2023) softening of -0.9% for houses and -4.9% for units. On a quarterly basis (Q3 2023 – Q4 2023), median house price softened at a lower rate, of -0.5%, while units saw a 6.6% growth. Cash rate hikes did impact the market, but consumers' confidence have returned; evident in both house and unit sales increasing in the past quarter to Q4 2023, by 4.8% and 11.2% respectively, and price conditions also improving. The house market still more affordable than 18-24months ago, but buyers must act fast.

CHANGE FROM LAST YEAR HALF YEAR



	YEAR	HALF YEAR
HOUSE SALES	↑	↑
HOUSE MEDIAN PRICE	↓	↑
HOUSE RENTAL PRICE	↑	↑

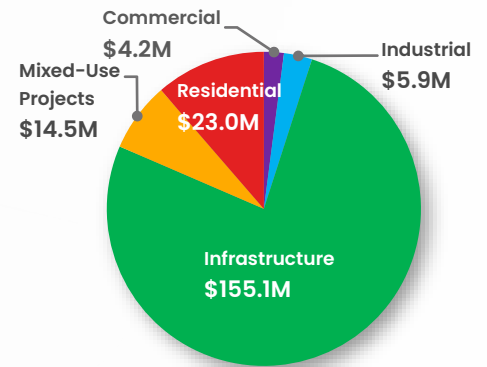


	YEAR	HALF YEAR
UNIT SALES	↓	↓
UNIT MEDIAN PRICE	↓	↑
UNIT RENTAL PRICE	↑	↔



FUTURE DEVELOPMENTS

Ballarat is set to see approximately **\$202.6M worth of new projects commencing in the 1st half of 2024.**



A strong focus on infrastructure projects will improve liveability for residents and create local jobs during the construction phase. This can have an impact on the real estate market, in the form of more people choosing to live in Ballarat* and leading to higher demand for housing.

A remarkable infrastructure project in the 1st half of 2024 is Weston Foods Mauri Flour Mill (\$132.9M). Initiated by the Victoria State Government it will construct a new state-of-the-art Mauri flour mill in Ballarat.

Key residential projects include:

- 99-133 Webb Road Residential Subdivision Stages 1-5 (183 Lots)
- Fraser Street (14 Dwellings)
- 1-5 Spencer Street (11 Dwellings)
- 819 Eureka St (5 townhouses)



5 Townhouses



49 Dwellings



203 Lots



MARKET CONDITIONS

MEDIAN PRICE
Q4 2023



\$555K



\$385K

SALES

AVERAGE DAYS
ON MARKET Q4 2023



70 HOUSE



65 UNIT

MEDIAN PRICE
Q4 2023



\$410



\$340

RENTALS

AVERAGE DAYS
ON MARKET Q4 2023



21 HOUSE

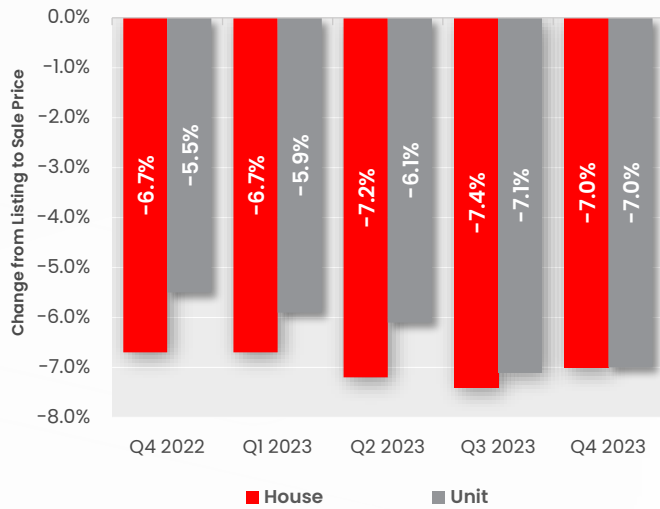


18 UNIT



AVERAGE VENDOR DISCOUNT*

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.



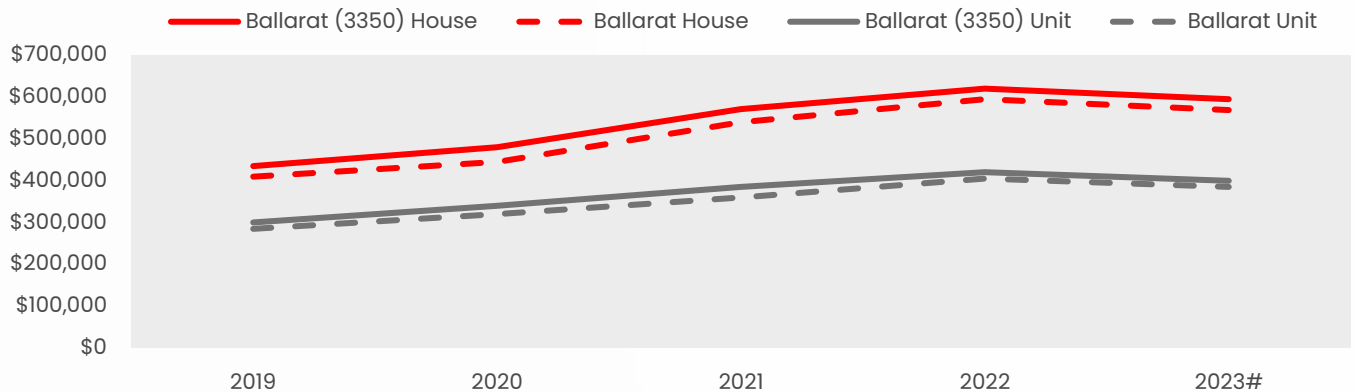
Average vendor discounts between Q4 2022 and Q4 2023 have remained relatively stable for houses and slightly widened for units, at -7.0% for both. Market conditions in Ballarat* continue to favour for buyers, with sellers willing to accept below the initial listing price. A steady average vendor discount environment creates a stable platform for first home buyers to enter the market.

The suburb of Ballarat has historically performed relatively on par with the Ballarat Local Government Area (LGA) in both house and unit prices. This continued in 2023#, with both both Ballarat suburb and the LGA experiencing slower price growth.

The dominant proportion of homes sold in Ballarat* in 2023# were in the more affordable price between \$450,000 – \$549,999 (26.5%). Units also recorded a dominant more affordable price point, between \$300,000 – \$399,999 (42.3%). Affordable options are available for both property types which is good news for first home buyers. That said the house premium market remain strong, with 18.3% sold at \$750,000 and above; assuring owners and investors.



MARKET COMPARISON

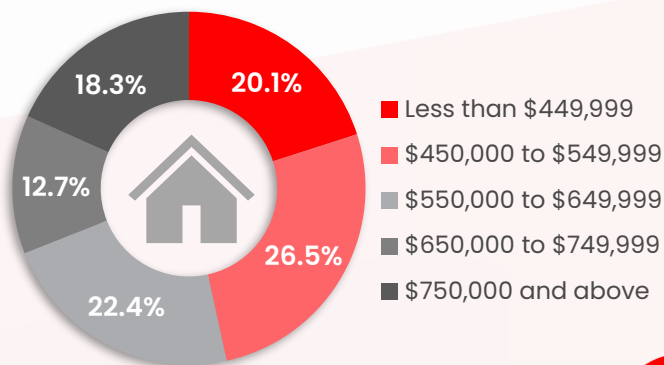


The market comparison graph provides a comparative trend for the median price of houses and unit over the past 5 years. The main LGA chosen was based on their proximity to the main suburb analysed, which is Ballarat.

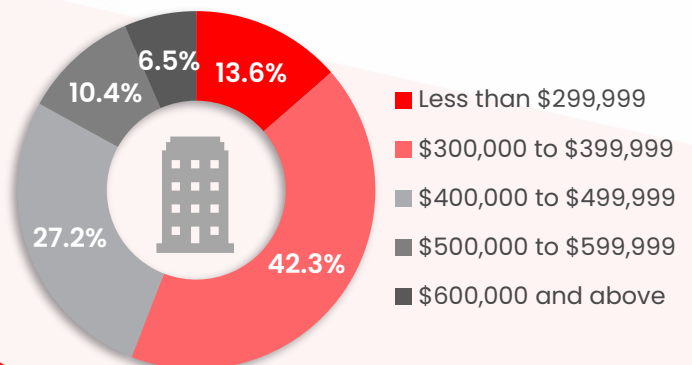


PRICE BREAKDOWN 2023#

HOUSES SOLD



UNITS SOLD





RENTAL GROWTH 2023

House rental yields in Ballarat[‡] was 3.7% as of December 2023, on par with the LGA (3.7%). This was due to a 3.8% increase in median house rental price in the past 12 months to Q4 2023, to \$410 per week, and a -10.8% decline in the number of houses rented (to 555 houses). The unit market shows a similar pattern, which confirms there is an undersupply in the rental market.

2-bedroom houses have provided investors with +7.8% rental growth annually, achieving a median rent of \$345 per week.

Ballarat[‡] recorded a vacancy rate of 1.2% in December 2023, below the Ballarat LGA (1.9%) and Melbourne Metro (1.5%). Vacancy rates in Ballarat[‡] declined in the past 12 months, indicating a tighter rental market and quicker occupancy of rental properties. Further, a 1.2% vacancy rate is higher rental demand. This creates a conducive environment for investors, especially with a slightly more affordable house and unit sales market in the past 12 months to Q4 2023. Now is an ideal time for investors to enter the market.

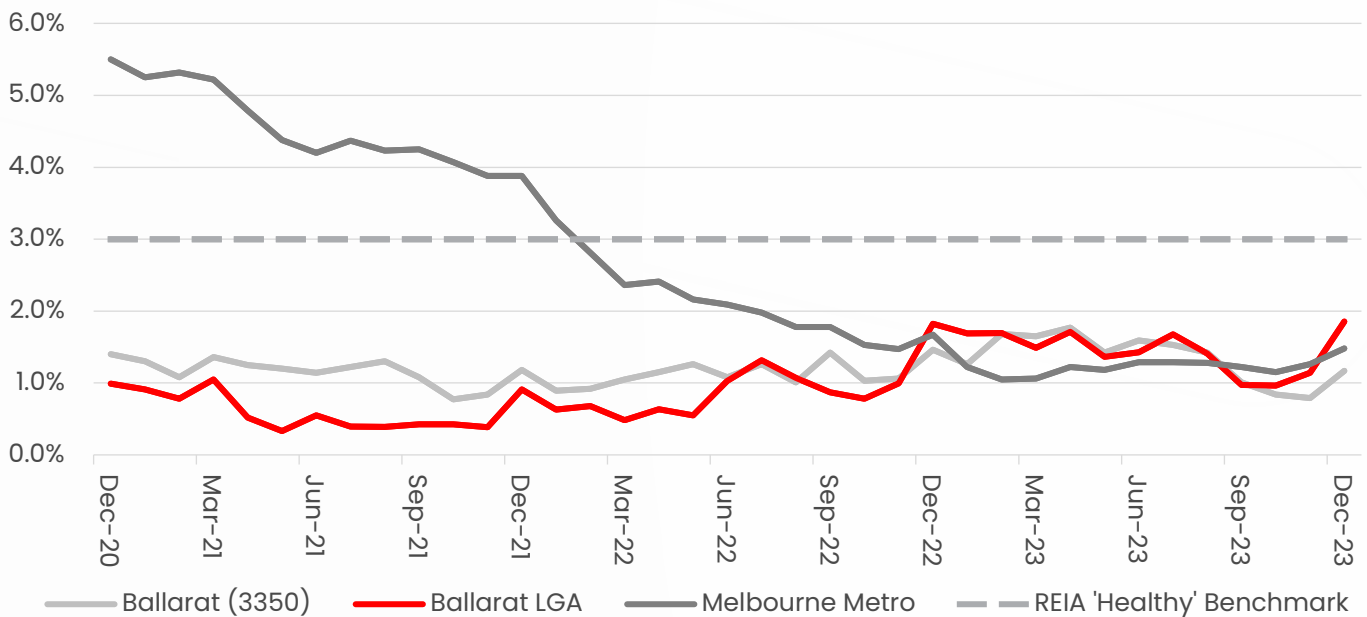
 2 BEDROOMS
+7.8%

 3 BEDROOMS
+2.7%

 4 BEDROOMS
+1.1%



RENTAL VACANCY RATES 2023



RENTAL YIELD 2023[§]



3.7%

Ballarat[‡]



3.7%

Ballarat LGA



3.0%

Melbourne Metro



4.2%

Ballarat[‡]



4.1%

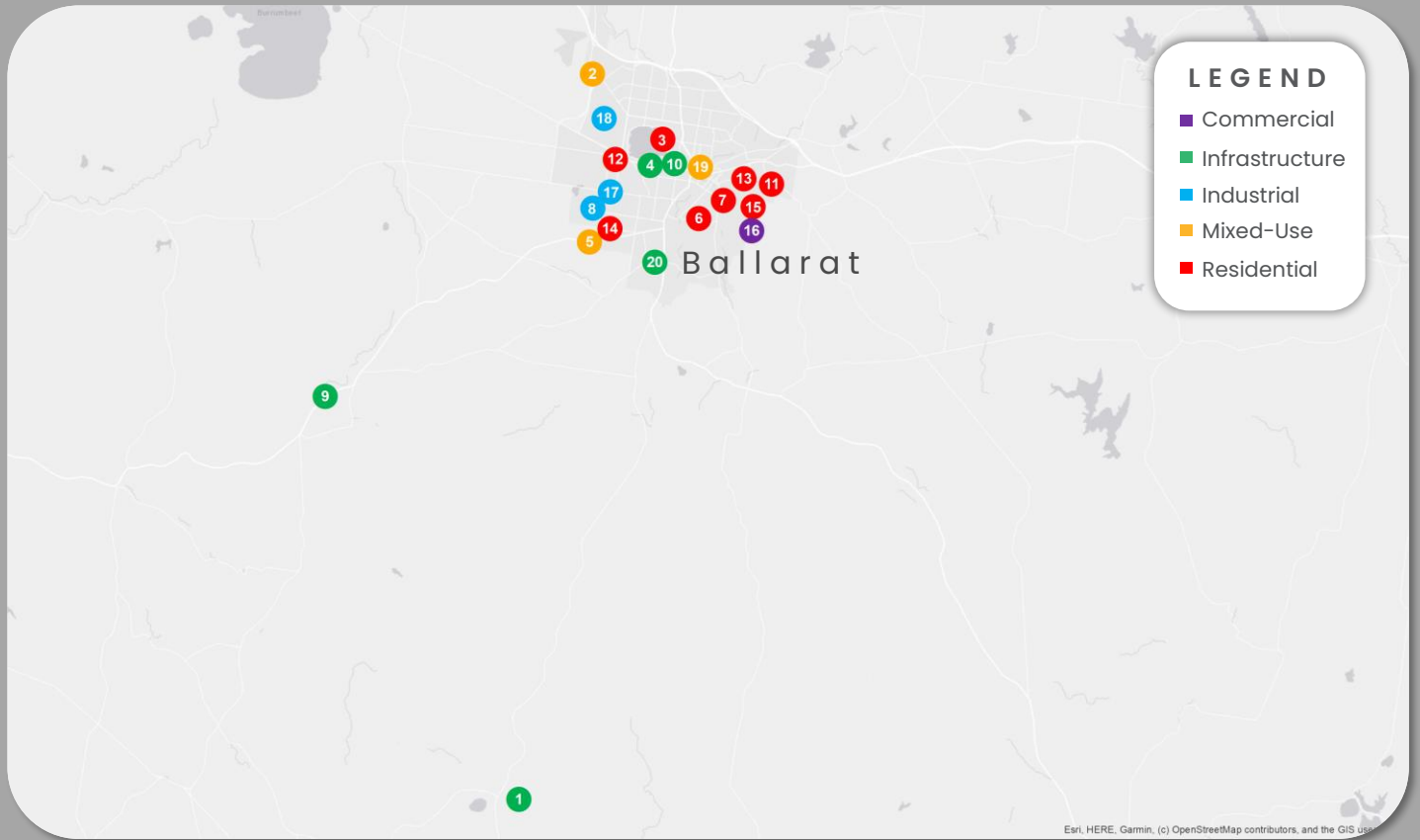
Ballarat LGA



4.5%

Melbourne Metro

PROJECT DEVELOPMENT MAP 1st HALF 2024^A



#	Project [£]	Type	Estimated Value ^µ	Commence Date ^ψ
1	Weston Foods Mauri Flour Mill (Victorian State Government)	Infrastructure	\$132,900,000	2024-05-06
2	361 & 361A Learmonth Road Isuzu Showroom Ballarat (Office & Retail)	Mixed-use	\$8,500,000	2024-05-01
3	99-133 Webb Road Residential Subdivision Stages 1-5 (183 Lots)	Residential	\$8,250,000	2024-05-01
4	Ballarat Clarendon College Science & Senior Centres Expansion Additions (Victorian State Government)	Infrastructure	\$7,000,000	2024-06-05
5	331 Glenelg Highway Mixed Use Development	Mixed-use	\$5,000,000	2024-06-23
6	Fraser Street Dwellings (14 Dwellings)	Residential	\$3,500,000	2024-05-26
7	1-5 Spencer Street Dwellings (11 Dwellings)	Residential	\$2,750,000	2024-05-21
8	41 Paddys Drive Warehouses	Industrial	\$2,500,000	2024-06-05
9	Ballarat Regional Landfill Capping Works (Ballarat Local Government)	Infrastructure	\$2,279,455	2024-01-11
10	Ballarat Hospital Infrastructure Upgrade (Victorian State Government)	Infrastructure	\$2,000,000	2024-04-04
11	819 Eureka Street Townhouses (5 Townhouses)	Residential	\$1,500,000	2024-06-28
12	28 Mia Street Dwellings (6 Dwellings)	Residential	\$1,500,000	2024-03-06
13	23 Belford Street Dwellings Additions Stages 1 & 2 (6 Dwellings)	Residential	\$1,500,000	2024-06-24
14	209-211 Greenhalghs Road Dwellings (6 Dwellings)	Residential	\$1,500,000	2024-04-05
15	201 Spencer Street Dwellings (6 Dwellings)	Residential	\$1,500,000	2024-06-05
16	426 Kline Street Retirement Village	Commercial	\$1,500,000	2024-01-31
17	11 Wiltshire Lane Warehouse Building & Trade Supplies Building	Industrial	\$1,000,000	2024-02-08
18	38 Gregory Street West Warehouses	Industrial	\$1,000,000	2024-01-12
19	31 Field Street Mixed Use Development (Office & Residential & Commercial)	Mixed-use	\$1,000,000	2024-06-05
20	Victoria & Albert Streets Streetscape (Ballarat Local Government)	Infrastructure	\$1,000,000	2024-05-06

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RESEARCH SERVICES

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- Geographic information mapping
- Project analysis including product and pricing recommendations
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Jason Birch

 +61 409 388 377

 Jasonb@prdballarat.com.au

GET IN TOUCH WITH US TODAY >




PRD Ballarat

Your trusted local real estate agency

 +61 3 5331 1111

 reception@prdballarat.com.au

 PRD.com.au/ballarat

 Level 1, 51 Lydiard Street South
Ballarat, VIC, 3350

REFERENCES

* Ballarat sales market data and key indicators encapsulates aggregate property market conditions in the postcode of 3350, 3355 & 3356.

** 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 all of 2023 (01/01/2023 – 31/12/2023).

€ Annual rental growth is a comparison between Q4 2022 (01/10/2022 – 31/12/2022) and Q4 2023 (01/10/2023 – 31/12/2023) house median rent figures.

¥ Ballarat rental market data encapsulates aggregate property conditions within the postcode of 3350.

§ Rental yields shown are as reported as of December 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 Ballarat Local Government Area.

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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