



Upper Hunter Market Update 2nd Half 2021



OVERVIEW

In Q2 2021, Upper Hunter* recorded a median house price of \$360,000, and a median unit price of \$275,000. This represents annual (Q2 2020 – Q2 2021) median price growth of 5.9% for houses and 8.9% for units. Between Q2 2020 – Q2 2021 total sales in both markets increased, by 73.6% for houses (to 243 sales and by 410.0% for units (to 51 sales). Median price growth alongside increased market activity suggest real returns on capital investment, making it an ideal time for owner-occupiers to benefit. This is particularly true for home owners, as there is an absence in ready-to-sell houses in the project pipeline.

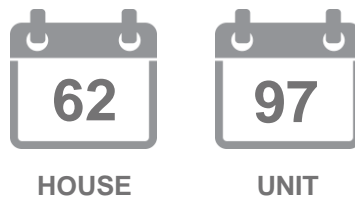
	CHANGE FROM LAST	YEAR	HALF YEAR
	House Sales	↑	↑
	House Median Price	↑	↑
	House Rental Price	↑	↑
	Unit Sales	↑	↑
	Unit Median Price	↑	↑
	Unit Rental Price	↑	↑

MARKET CONDITIONS

SALES MEDIAN PRICE Q2 2021



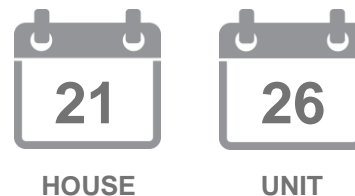
SALES AVERAGE DAYS ON MARKET Q2 2021



RENTAL MEDIAN PRICE Q2 2021

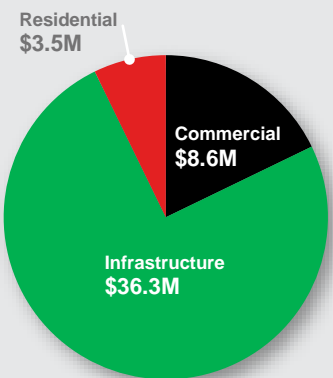


RENTAL AVERAGE DAYS ON MARKET Q2 2021



FUTURE DEVELOPMENTS

Upper Hunter* is set to see approximately **\$48.5M** worth of new projects commencing in the 2nd half of 2021.



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

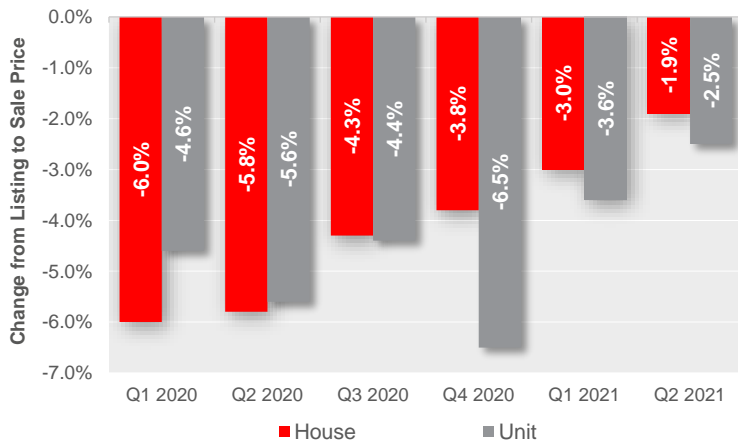
A main infrastructure project over the 2nd half of 2021 is the Muswellbrook Regional Entertainment & Conference Centre (\$26.9M). This will see the construction of a new performing arts centre, community studio & conference space, office accommodation and community plaza & associated open space. Commercial projects such as the Gable Inn (\$4.0M) and the Bettington Street Service Station (\$1.2M) will add essential amenities and services to the Upper Hunter in late 2021.

The Rawcliffe & Wynyard Streets Units (\$3.5M) will see 12 new units constructed in Singleton. There are new developments for Upper Hunter and strong residential demand, but a low amount of residential projects. This creates unique opportunities for developers, particularly those who can supply new stand-alone houses.



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.

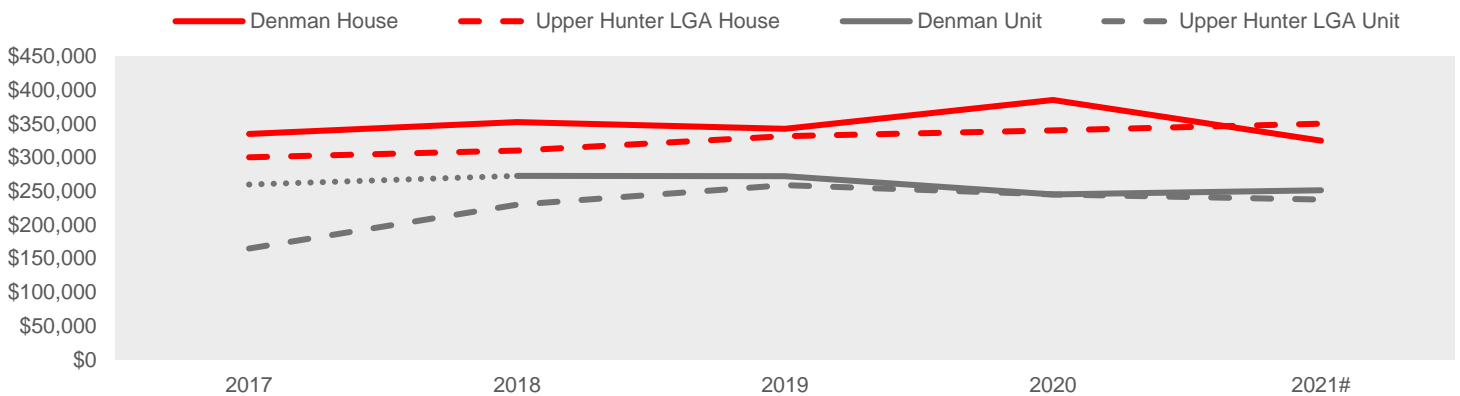


Average vendor discounts between Q2 2020 and Q2 2021 have tightened for both property types, to -1.9% for houses and -2.5% for units. Market conditions in Upper Hunter* offer unique opportunities, wherein sellers can now achieve a final sale price closer to their first list price, yet buyers can still benefit from a discount.

The suburb of Denman has historically slightly outperformed the wider Upper Hunter Local Government Area (LGA) in its median house price and performed on par in median unit price. This continued to be the case throughout 2021# for units, whilst Denman's housing market has become more affordable than the wider LGA.

The dominant proportion of homes sold in Upper Hunter* in 2021^ were in the middle price bracket of \$350,000-\$550,000 (62.7% combined). Units showed a dominant premium price point of above \$300,000 (39.0%). There is stock for all budgets, including affordable options, but the unit market is becoming a more premium market.

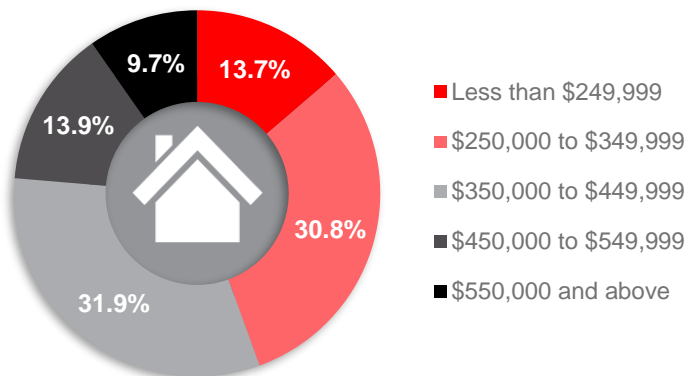
MARKET COMPARISON



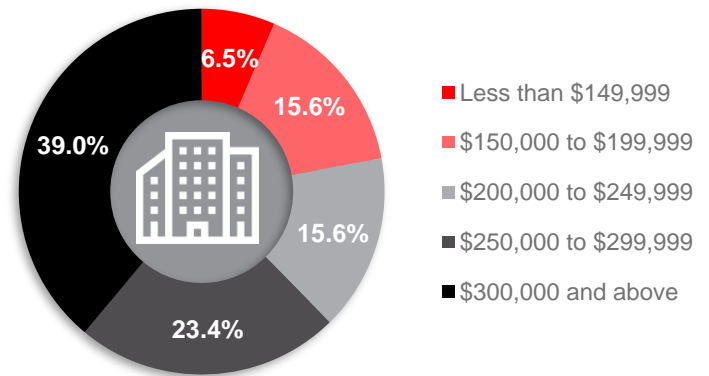
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Denman.

PRICE BREAKDOWN 2021^

HOUSES SOLD



UNITS SOLD

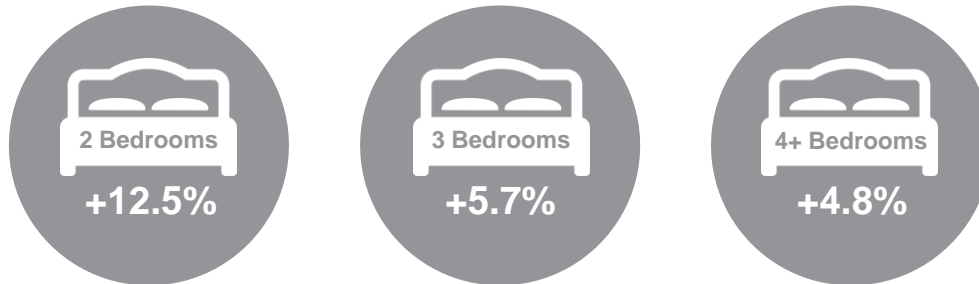


RENTAL GROWTH 2021€

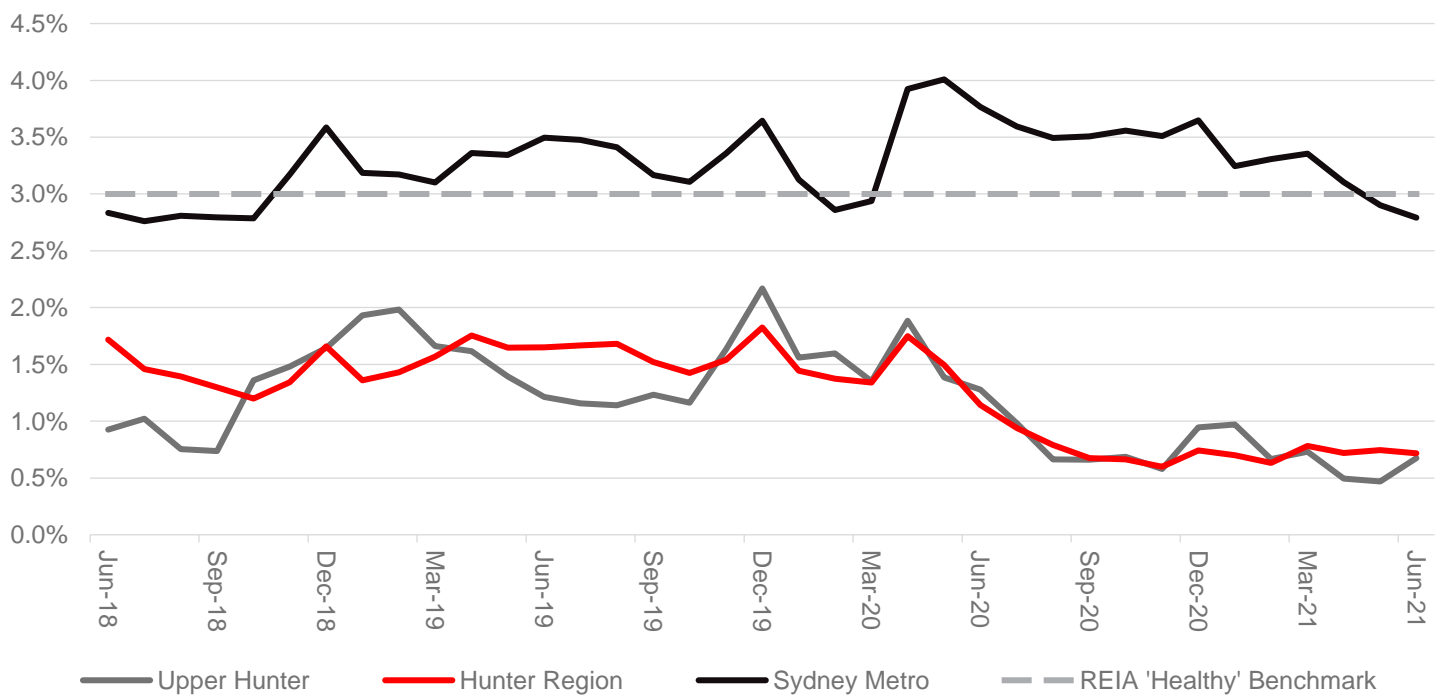
In June 2021 house rental yields in Upper Hunter[‡] were recorded at 5.4%. In the 12 months to Q2 2021, the median house rental price increased by 10.5% to reach \$420 per week, while average days on the market declined by -22.2% (to 21 days). Overall this represents an extremely resilient rental market throughout COVID-19, in positive news for investors.

2 bedroom houses have provided investors with +12.5% rental growth annually[€], with a median rent of \$298 per week.

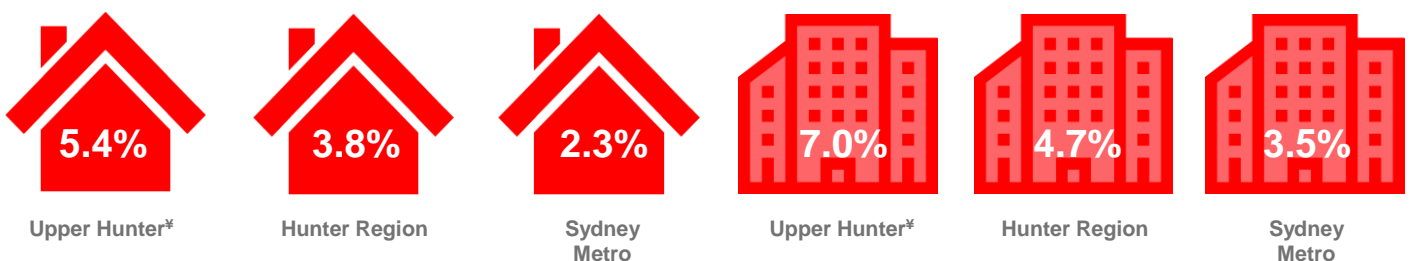
Also in June 2021, Upper Hunter[‡] recorded a vacancy rate of 0.7%, on par with the Hunter Region (0.7%) and well below Sydney Metro (2.8%). Vacancy rates in Upper Hunter[‡] have recorded historical lows in the past 6 months, and remain well below the Real Estate Institute of Australia's healthy benchmark of 3.0% amidst COVID-19 conditions. There is a healthy ongoing level of rental demand, thus investors can be confident of a conducive investment environment in Upper Hunter[‡].



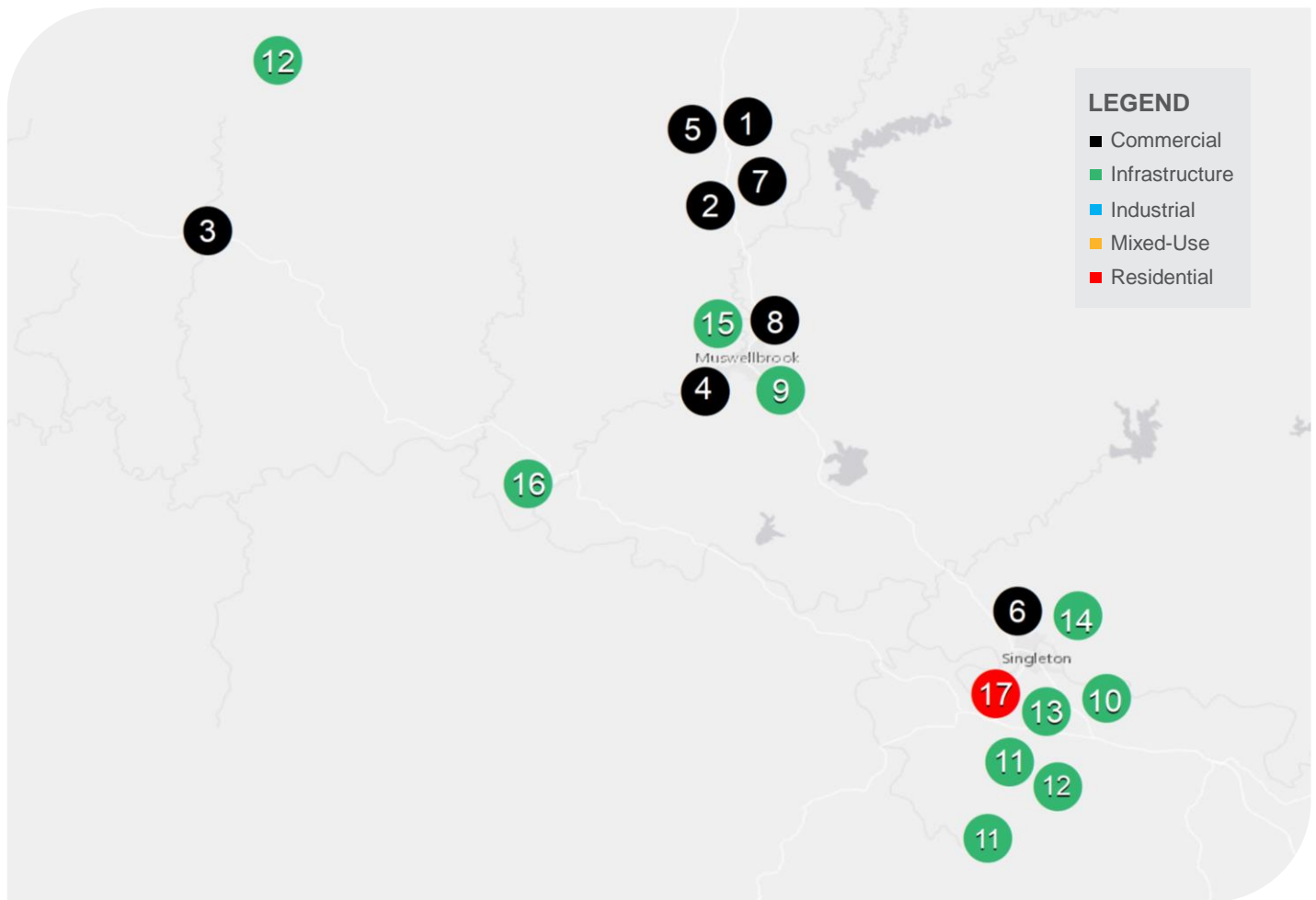
RENTAL VACANCY RATES 2021



RENTAL YIELD 2021§



TOP DEVELOPMENTS MAP 2ND HALF 2021[†]



Location	Project [£]	Type	Estimated Value [†]	Commence Date [‡]
1	The Gable Inn	Commercial	\$4,000,000	09/07/2021
2	Turanville Road Equine Training Buildings	Commercial	\$1,314,000	27/12/2021
3	Bettington Street Service Station	Commercial	\$1,200,000	10/11/2021
4	Haydon Street Backpackers Accommodation	Commercial	\$680,000	08/12/2021
5	Pays Air Service	Commercial	\$500,000	30/07/2021
6	Singleton Showground	Commercial	\$399,000	18/08/2021
7	Golden Fleece Hotel	Commercial	\$300,000	18/07/2021
8	Lake Liddell Dam Wall	Commercial	\$250,000	04/12/2021
9	Muswellbrook Regional Entertainment & Conference Centre	Infrastructure	\$26,998,000	18/10/2021
10	Brunners Bridge Renewal	Infrastructure	\$5,500,000	11/10/2021
11	Singleton School Of Infantry Power	Infrastructure	\$1,000,000	03/08/2021
12	Coulsons Creek Road Roadworks	Infrastructure	\$1,000,000	06/10/2021
13	Singleton Training Area	Infrastructure	\$850,000	23/07/2021
14	Singleton Council Administration & Out Of School Hours Buildings	Infrastructure	\$500,000	08/09/2021
15	Olympic Park	Infrastructure	\$250,000	02/10/2021
16	Rosemount Road Box Culvert	Infrastructure	\$250,000	07/10/2021
17	Rawcliffe & Wynyard Streets Units – (12 Units)	Residential	\$3,500,000	21/08/2021

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.

2021 encapsulates sales transactions for 1H 2021 (01/01/2021 – 30/06/2021).

^ 2021 encapsulates sales transactions for 1H 2021 (01/01/2021 – 30/06/2021).

€ Annual rental growth is a comparison between 1H 2020 (01/01/2020 – 30/06/2020) and 1H 2021 (01/01/2021 – 30/06/2021) house median rent figures.

¥ Upper Hunter 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 2021.

⌘ 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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