

Blue Mountains Market Update

2nd Half 2024



OVERVIEW

In Q2 2024, Blue Mountains* recorded a median house price of \$907,500, and a median unit price of \$715,000. This represents annual (Q2 2023 – Q2 2024) median price growth of 7.8% for houses and 10.8% for units. In this timeframe houses sales declined, by -2.5% (to 355 sales), whilst unit sales increased, by 14.3% (to 24 sales). Confidence has returned to Blue Mountains*, with a highly demanded unit market and an undersupplied house market. This has created a buffer against higher interest rates, thus a price growth for both property types. This also suggests that now is an ideal time for owners to capitalise on their investments.

CHANGE FROM LAST YEAR HALF YEAR



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

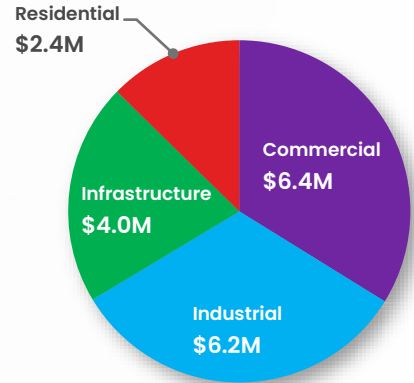


UNIT SALES	↑	↑
UNIT MEDIAN PRICE	↑	↑
UNIT RENTAL PRICE	↑	↑



FUTURE DEVELOPMENTS

Blue Mountains will see approximately **\$18.9M of new projects commencing construction in the 2nd half of 2024.**



The combination of these projects will stimulate economic growth and improve liveability in the Blue Mountains, as well as create local jobs. This should have an impact on the real estate market, in the form of higher demand for housing stock.

Key infrastructure projects initiated by the Local Government include:

- Linden to Falconbridge shared path
- Wentworth Falls Lake Dam Spillway and boat ramp

All of which will improve liveability for current residents.

There is only one residential project planned in the 2nd half of 2024, the Stuarts Road Subdivision (\$2.4M), due to add 48 lots to the market.

With no new incoming ready-to-go supply planned, an undersupply is expected. This will continue to push up house and unit prices higher.



48 Lots



MARKET CONDITIONS

MEDIAN PRICE
Q2 2024



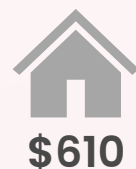
SALES



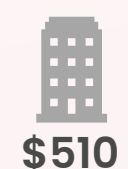
AVERAGE DAYS
ON MARKET Q2 2024



MEDIAN PRICE
Q2 2024



RENTALS



AVERAGE DAYS
ON MARKET Q2 2024

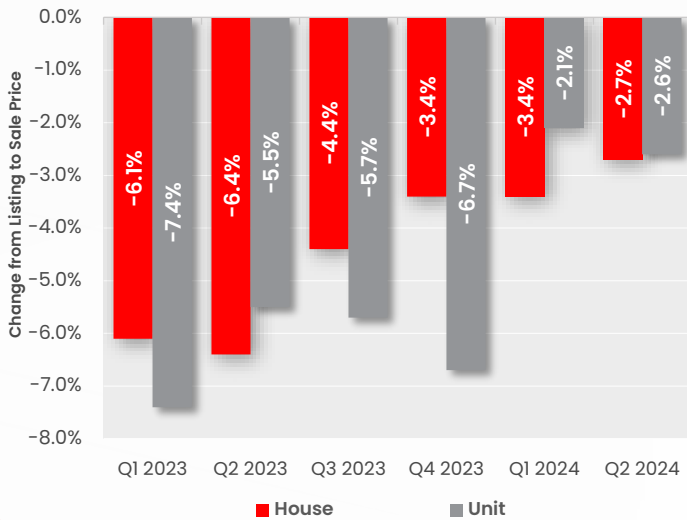




AVERAGE VENDOR DISCOUNT*

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 Q2 2023 and Q2 2024 have tightened to lesser discounts of -2.7% for houses and -2.6% for units. The house and unit market conditions in Blue Mountains still favour buyers in Q2 2024, as sellers are willing to accept below the initial listing price. However time is limited, as a tighter vendor discount indicates the potential of swinging to a premium sooner than later.

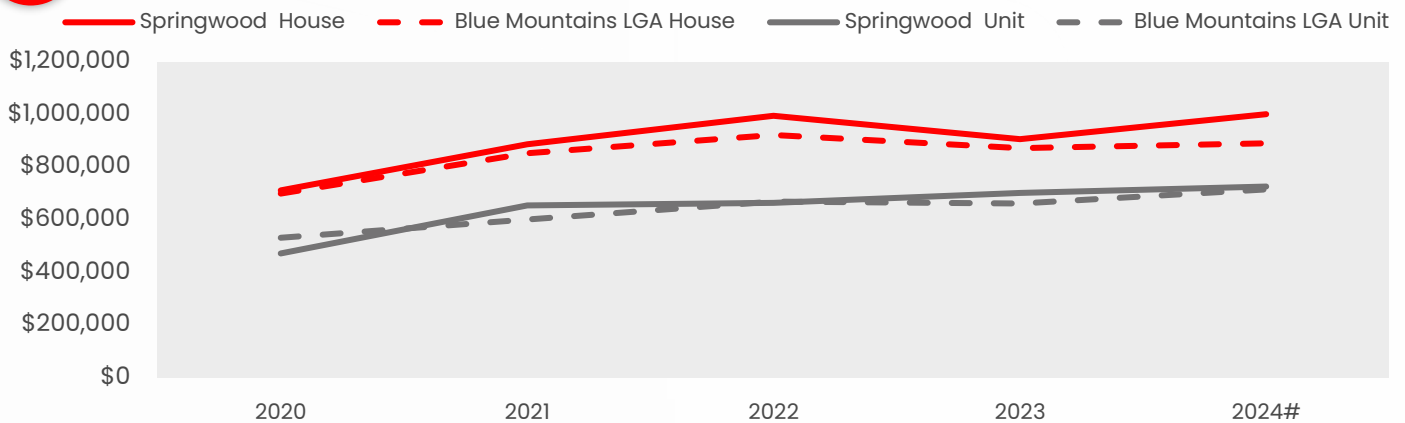


The suburb of Springwood has historically tracked on par with the Blue Mountains Local Government Area (LGA) in both house and unit median prices. 2024# saw median house prices in Springwood becoming a premium market compared to the wider LGA, while units are still on par.

Most of the homes sold in Blue Mountains* across 2024# were in the premium price point of \$1,050,000 and above (36.1%), while units recorded a dominant upper price point of between \$750,000 and \$849,999 (28.6%). This suggests a strong premium market for owners. That said, 18.2% and 19.6% of houses and units sold were in the most affordable price points, of less than \$749,999 (houses) and \$549,999 (units), which is good news for first home buyers.



MARKET COMPARISON



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

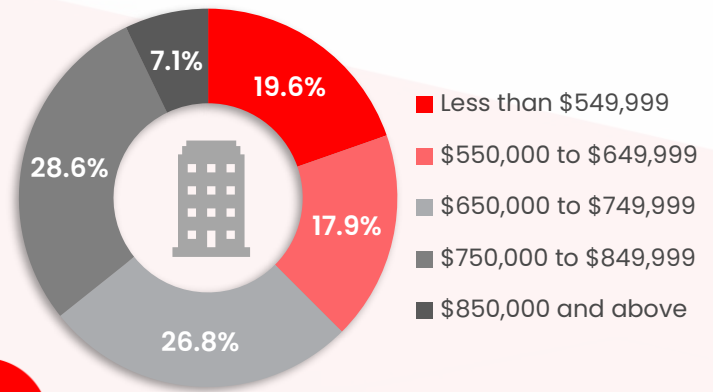


PRICE BREAKDOWN 2024#

HOUSES SOLD



UNITS SOLD





RENTAL GROWTH 2024€

House rental yields in Springwood* was 3.2% in June 2024, higher than the wider Blue Mountains LGA (2.9%) and Sydney (2.8%). This was paired with a 10.9% increase in median house rental price in the past 12 months to Q2 2024, at \$610 per week, whilst the number of houses rented declined by -6.0% (at 891 houses). The unit rental market shows a similar pattern, which suggests an overall undersupplied market. This is good news for investors.

3+ bedroom houses have provided investors with +6.6% rental growth annually, achieving a median rent of \$586 per week.

Springwood (postcode 2777)* recorded a vacancy rate of 0.4% in June 2024, well below Sydney Metro's 1.7% average. Vacancy rates in Blue Mountains* have fluctuated in the past 12 months, due to the level of investors opting in/out of the area, however have declined as an overall. This suggests a tighter rental market. Further, a 0.4% vacancy rate is significantly below the Real Estate Institute of Australia's healthy benchmark of 3.0%, indicating quicker occupancy of rental properties. This is a conducive environment for investors.

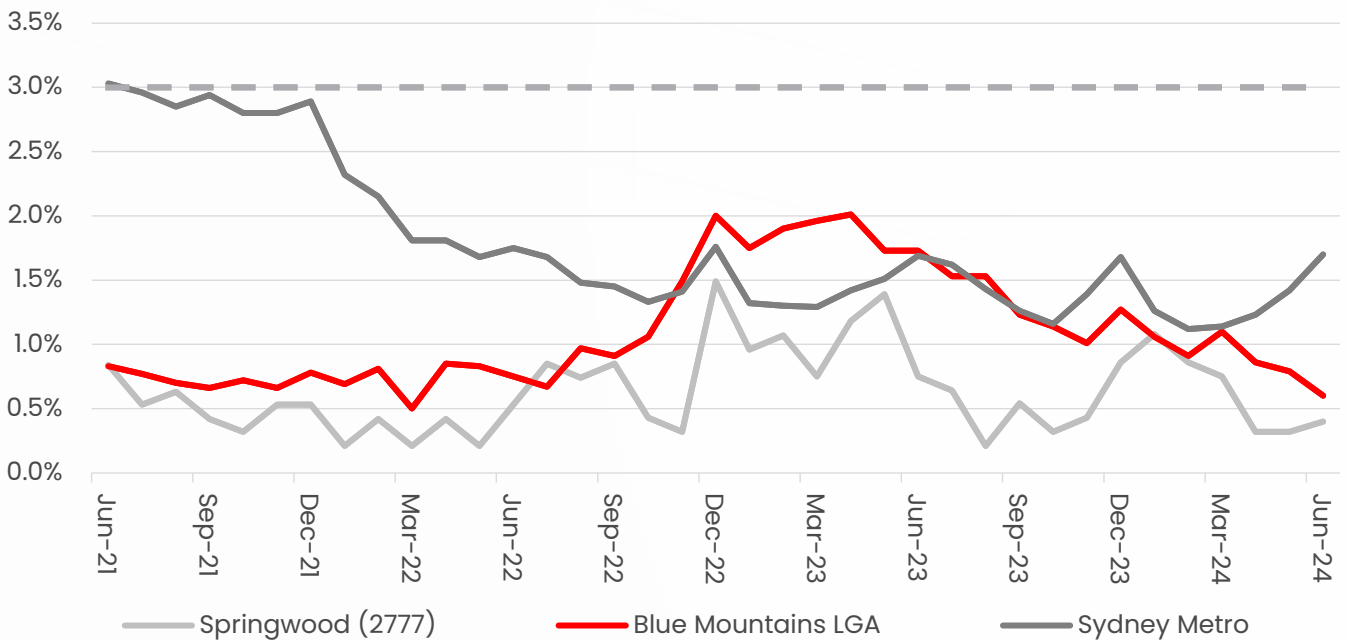
2 BEDROOMS
+6.1%

3 BEDROOMS
+6.6%

4 BEDROOMS
+4.7%



RENTAL VACANCY RATES 2024



RENTAL YIELD 2024§



3.2%

Springwood (2777)*



2.9%

Blue Mountains LGA



2.8%

Sydney Metro



3.3%

Springwood (2777)*



3.4%

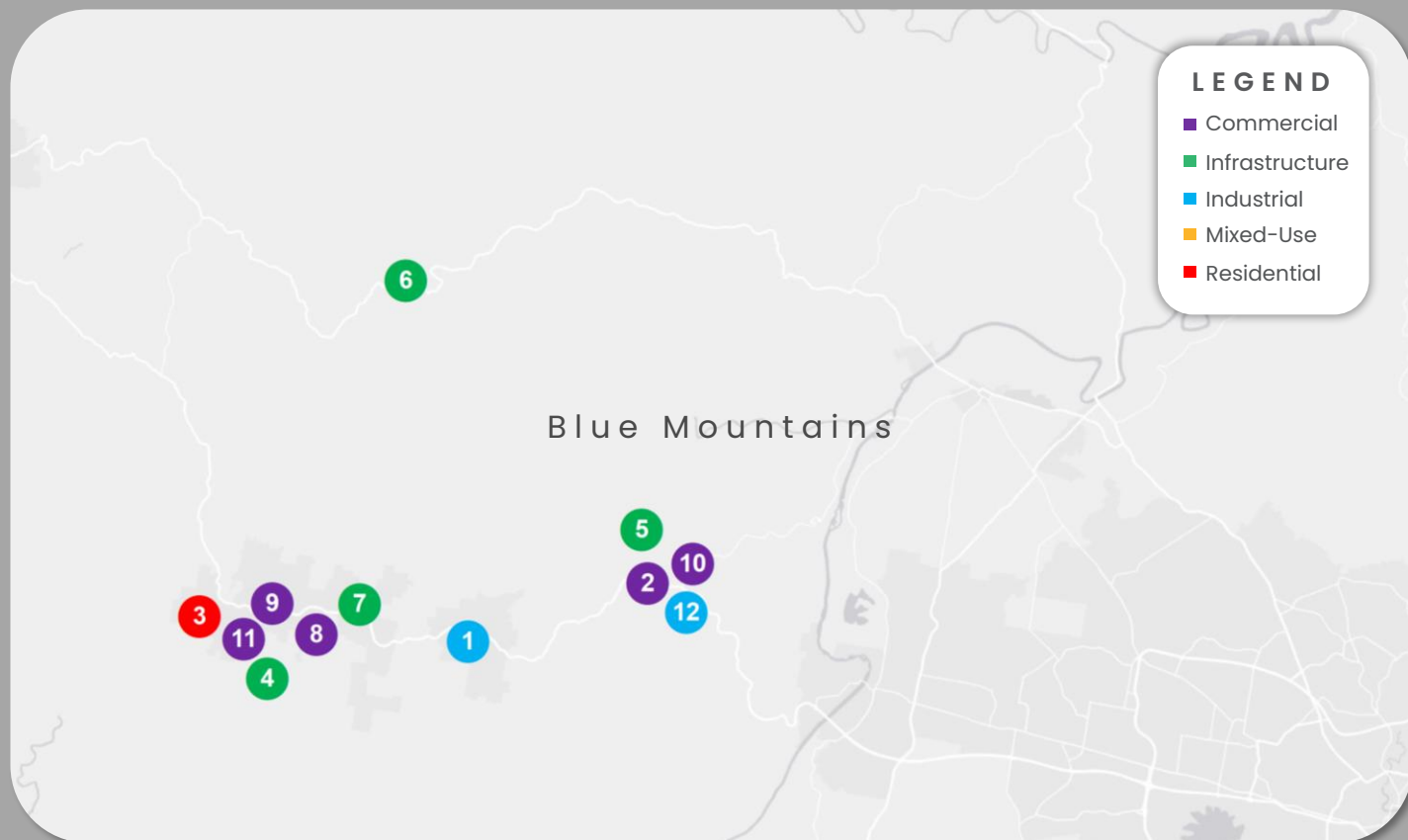
Blue Mountains LGA



4.5%

Sydney Metro

PROJECT DEVELOPMENT MAP 2nd HALF 2024^A



#	Project [£]	Type	Estimated Value [¶]	Commence Date ^ψ
1	36-42 & 50-56 Flinders Street Warehouses	Industrial	\$5,954,643	29/11/2024
2	409-417 Great Western Highway Seniors Housing Dwellings	Commercial	\$3,724,000	15/12/2024
3	21 Stuarts Road Residential Subdivision (48 Lots)	Residential	\$2,400,000	24/12/2024
4	Leura Cascades Reserve Lighting Design (Local Government)	Infrastructure	\$1,000,000	29/07/2024
5	Linden To Faulconbridge Shared Path (Local Government)	Infrastructure	\$1,000,000	26/08/2024
6	Blue Mountains City Council Road Embankment Landslip Remediation Works Package 2 (Local Government)	Infrastructure	\$1,000,000	09/12/2024
7	Wentworth Falls Lake Dam Spillway & Boat Ramp Upgrade Works Stage 2 (Local Government)	Infrastructure	\$970,000	04/07/2024
8	Fairmont Resort Leura Hotel Function Room & Bar Extension	Commercial	\$900,000	18/10/2024
9	Blue Mountains Retirement Village Workshop Upgrade	Commercial	\$882,920	15/12/2024
10	Boiler House Springwood Shop & Cafe Fit Out	Commercial	\$516,257	08/10/2024
11	Katoomba RSL Club Cocktail Bar Conversion	Commercial	\$385,000	16/08/2024
12	24 Lawson Road Industrial Units Alterations & Additions	Industrial	\$213,147	30/08/2024

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- Geographic information mapping
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REFERENCES

* Blue Mountains sales market data and key indicators encapsulates aggregate property market conditions within the suburbs of Blue Mountains Local Government Area (LGA).

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

2024 encapsulates sales transactions for 1st Half 2024 (01/01/2024 – 30/06/2024) only, other years encapsulates sales transactions for the full year (i.e 01/01 to 31/12 of the relevant year).

€ Annual rental growth is a comparison between Q2 2023 (01/04/2023 – 30/06/2023) and Q2 2024 (01/04/2024 – 30/06/2024) house median rent figures.

¥ Blue Mountains rental market data encapsulates aggregate property conditions within the postcode of 2777.

§ Rental yields shown are as reported as of June 2024.

▲ 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 Blue Mountains LGA.

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 Pricfinder, Cordell Connect database, SQM Research, Esri ArcGIS.

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