

Upper Hunter Market Update 2nd Half 2024



OVERVIEW

In Q2 2024, Upper Hunter* recorded a median house price of \$530,000, and a median unit price of \$398,000. This represents annual (Q2 2023 – Q2 2024) median price growth of 5.7% for houses and 28.6% for units. Total house sales decreased between Q2 2023 – Q2 2024, by -2.8% to 174 sales (in Q2 2024) and increased for units, by 41.7% (to 34 sales in Q2 2024). Whilst housing sales has declined, prices continued to rise; thus an undersupply of houses. Confidence has returned to the unit market, with units in high demand and prices climbing. Overall, this suggests that now is an ideal time for owners to capitalise on their investment.

CHANGE FROM LAST YEAR HALF YEAR



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

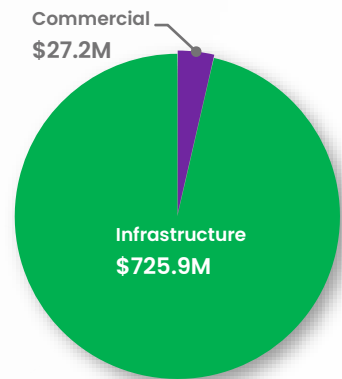


UNIT SALES	↑	↑
UNIT MEDIAN PRICE	↑	↑
UNIT RENTAL PRICE	↑	↓



FUTURE DEVELOPMENTS

Upper Hunter will see approximately **\$753.1 M of new projects commencing construction in the 2nd half of 2024.**



A focus on infrastructure development will improve liveability for residents, whilst also creating employment opportunities during the construction phase. This can attract more people to live in Upper Hunter, which should have a positive spill-over impact on the real estate market, in the form of higher demand for housing.

The largest infrastructure project in the 2nd half of 2024 is the Singleton Bypass (\$700.0M), which will add 8km of new highway. This will improve the connectivity between places of business and residence in the area. Other infrastructure developments in this period include:

- The Singleton Military Area Reticulation Upgrade (\$20.8M)
- Crinoline Street Pipeline Relining Works (\$239K)

The most significant commercial development of the 2nd half of 2024 is the Racing NSW Scone Race Club Horse Stables (\$25.0M).

With no ready-to-sell residential projects in the pipeline the Upper Hunter area will continue to see an undersupply in both houses and units. This suggests that current trends of increasing price growth will continue.



MARKET CONDITIONS

MEDIAN PRICE
Q2 2024



\$530K



\$398K

SALES

AVERAGE DAYS
ON MARKET Q2 2024



HOUSE



UNIT

MEDIAN PRICE
Q2 2024



\$530



\$400

RENTALS

AVERAGE DAYS
ON MARKET Q2 2024



HOUSE



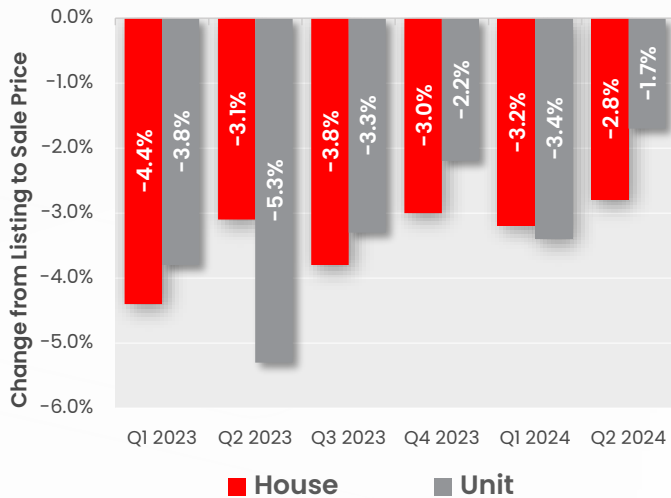
UNIT



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 Q2 2023 and Q2 2024 have tightened, to a lesser discount of -2.8% for houses and -1.7% for units. Property market conditions in Upper Hunter still favour buyers, as the final sale price is still under the first listed price. That said there is a slight shift towards a smaller discount, thus buyers need to act fast.

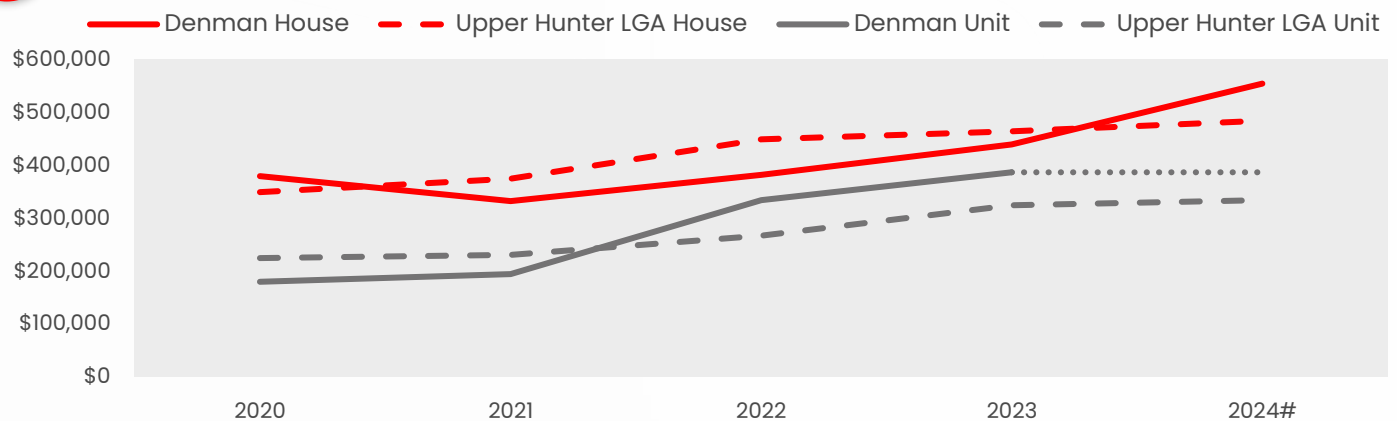


The suburb of Denman has historically provided a more affordable median house price than the wider Upper Hunter Local Government Area (LGA), and a premium in unit median unit prices. 2024# saw Denman outperform the Upper Hunter LGA in median house price, becoming a more premium market.

The dominant proportion of homes sold in Upper Hunter* in 2024# were in the more affordable price bracket of \$400,000 and \$499,999 (27.4%). Similarly, most of the units sold were in the more affordable price point of \$250,000 and \$349,999 (43.6%). This reveals that there is affordably priced stock available, in good news for buyers. That said, the premium market is also growing for both, with 15.8% of houses sold at \$700,000 and above and 14.5% of units sold at \$550,000 and above; which benefits owners.



MARKET COMPARISON

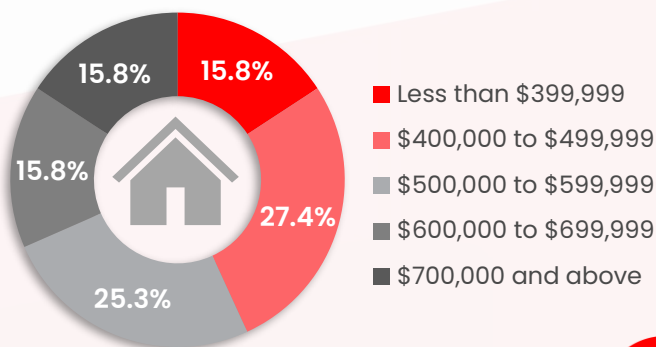


The market comparison graph provides a comparative trend for the median price of houses and unit over the past 5 years. The suburb chosen was based on their proximity to the main LGA analysed, which is Upper Hunter*.

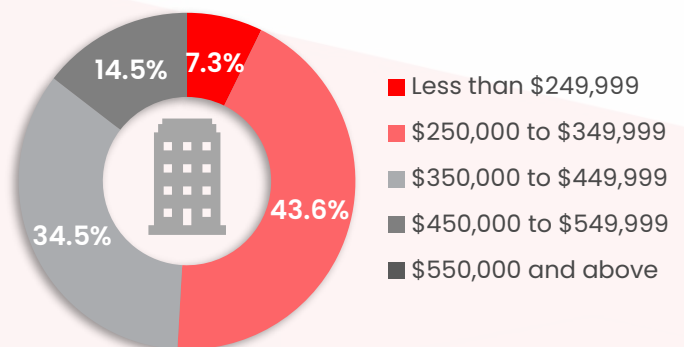


PRICE BREAKDOWN 2024#

HOUSES SOLD



VACANT UNITS SOLD





RENTAL GROWTH 2024€

House rental yields in Upper Hunter[‡] was 3.8% in July 2024, higher than Hunter Region (3.6%) and Sydney Metro (2.8%). This was paired with a 3.9% median house rental price increase in the past 12 months to Q2 2024, currently at \$530 per week. In the same time the number of houses rented increased, by 11.4%, to 117 rentals in Q2 2024). The unit market shows the same pattern, indicating an overall highly demanded rental market. This is good news for investors.

2 bedroom houses have provided investors with +12.5% rental growth annually, achieving a median rent of \$450 per week.

Upper Hunter[‡] recorded a vacancy rate of 0.6% in July 2024, well below Sydney Metro's 1.7%. Vacancy rates in Upper Hunter[‡] have fluctuated over the past 12 months, due to investors entering/exiting the market with cash rate changes. That said vacancy rates has declined sharply in the past 3 months, indicating a tighter market. Further, a 0.6% vacancy rate is well below the Real Estate Institute of Australia's 'Healthy' Benchmark of 3.0%, indicating quicker occupancy of rentals. This suggests a conducive environment for investors.

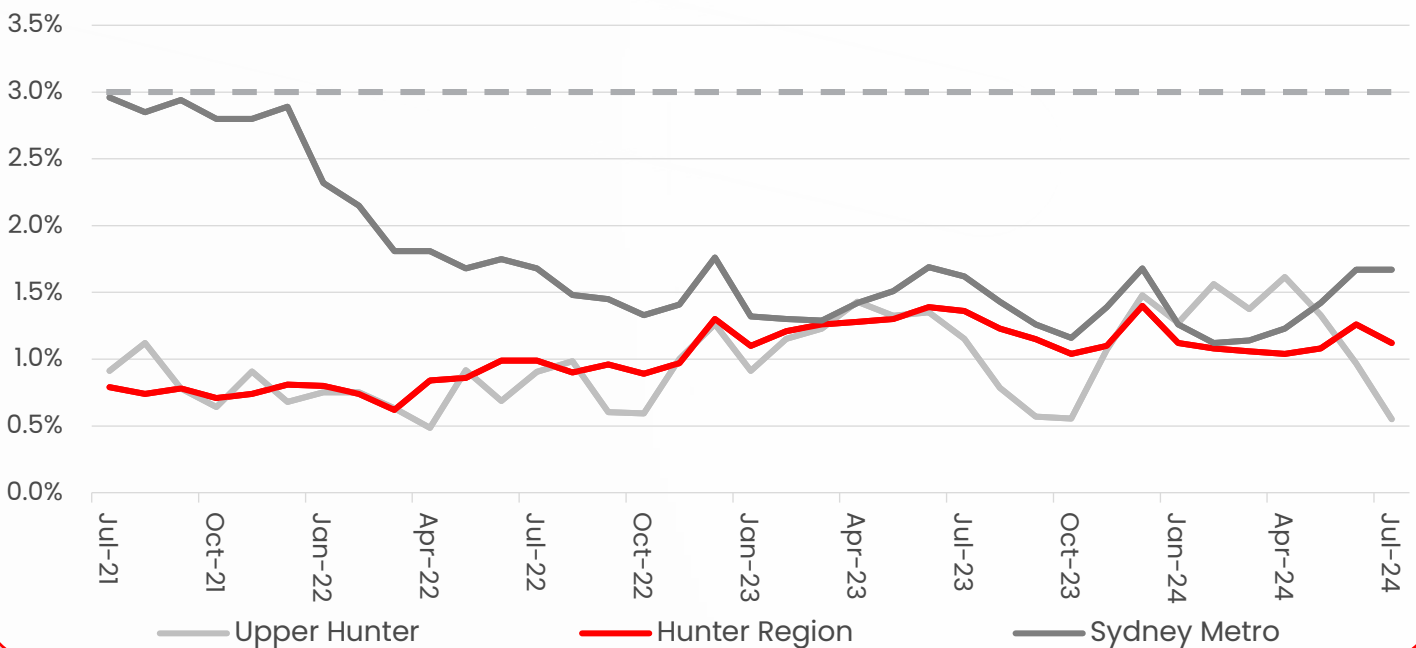
 2 BEDROOMS
+12.5%

 3 BEDROOMS
+8.7%

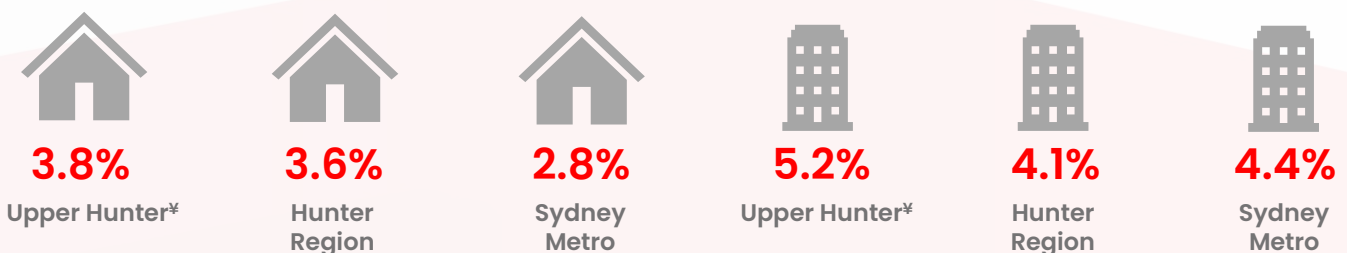
 4 BEDROOMS
+1.8%



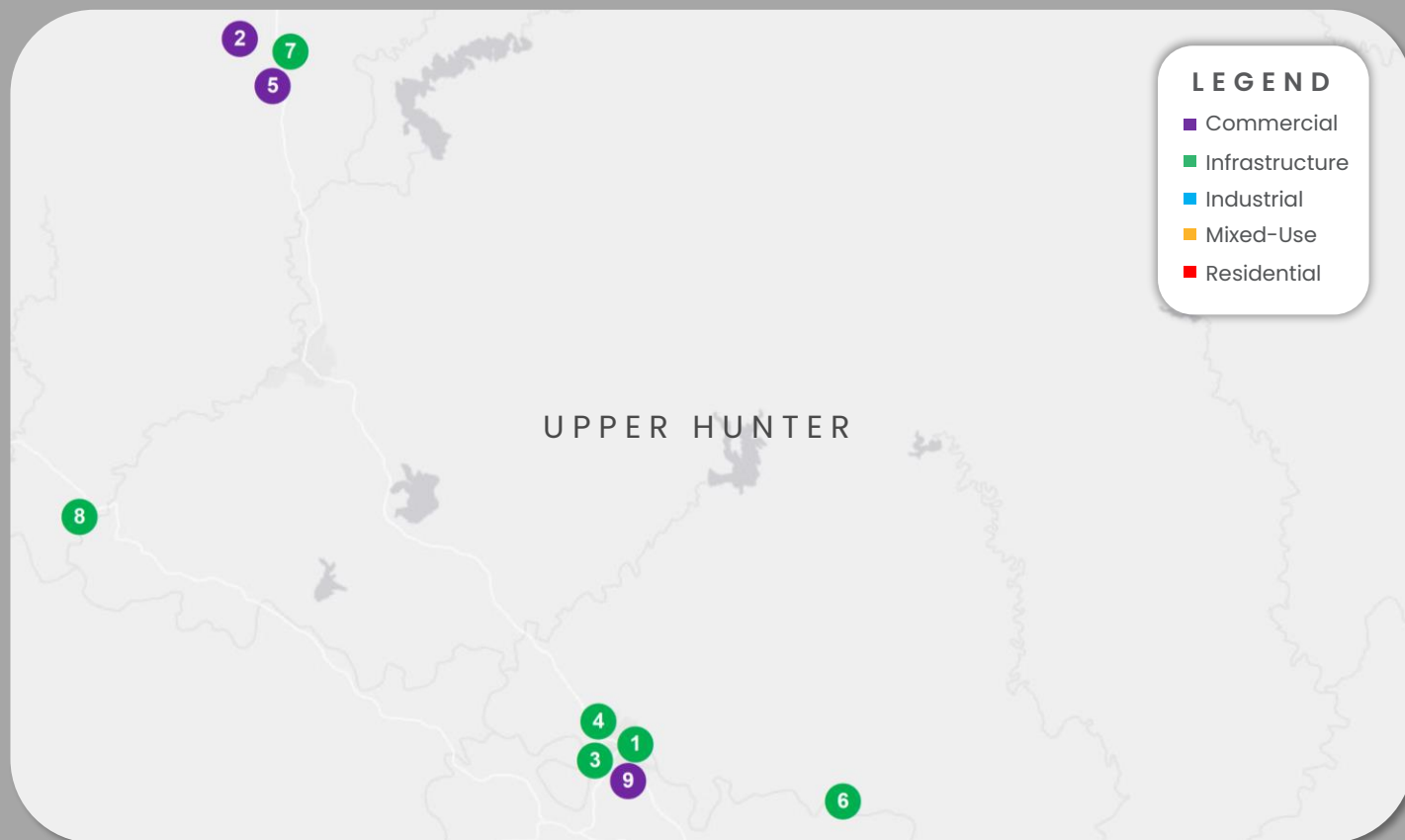
RENTAL VACANCY RATES 2024



RENTAL YIELD 2024§



PROJECT DEVELOPMENT MAP 2nd HALF 2024^A



#	Project [£]	Type	Estimated Value [¶]	Commence Date ^ψ
1	Singleton Bypass (State Government)	Infrastructure	\$700,000,000	15/07/2024
2	Racing NSW Scone Race Club Horse Stables	Commercial	\$25,000,000	18/11/2024
3	Singleton Military Area Reticulation Upgrade (Federal Government)	Infrastructure	\$20,824,730	24/10/2024
4	Singleton AFL & Cricket Clubhouse Expansion & Renovation (Local Government)	Infrastructure	\$2,500,000	11/11/2024
5	The Royal Hotel Alterations & Additions	Commercial	\$2,000,000	6/12/2024
6	Stanhope Road Roadworks Upgrade (Local Government)	Infrastructure	\$1,540,000	14/10/2024
7	Scone CBD Revitalisation Stage 2 (Local Government)	Infrastructure	\$800,000	30/07/2024
8	Crinoline Street Pipeline Relining Works (Local Government)	Infrastructure	\$239,965	2/07/2024
9	16-20 Munro Street Co-living Housing Conversion	Commercial	\$200,000	12/09/2024

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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.
- # 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.
- ¥ 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 July 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 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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