







Ballarat Market Update

2nd Half 2023



OVERVIEW

In Q2 2023, Ballarat* recorded a median house price of \$555,000 and a median unit price of \$400,000. This represents annual (Q2 2022 – Q2 2023) softening of -7.5% for houses and growth of 2.6% for units. That said on a quarterly (Q1 2023 – Q2 2023) basis median house prices softened by a lower rate, -2.5%. Thus cash rate hikes did impact the house market, but consumer confidence have started to return. 389 houses were sold in Q2 2023 which is a -11.2% decline in the past 12 months and explains the slower price decline. Thus buyers looking for a more affordable house market need to act fast.

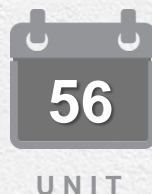
	CHANGE FROM LAST	YEAR	HALF YEAR
 House Sales		↓	↓
 House Median Price		↓	↓
 House Rental Price		↑	↑
 Unit Sales		↑	↓
 Unit Median Price		↑	↓
 Unit Rental Price		↑	↔

MARKET CONDITIONS

SALES MEDIAN PRICE
Q2 2023



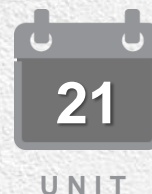
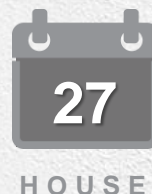
SALES AVERAGE DAYS ON
MARKET Q2 2023



RENTAL MEDIAN PRICE
Q2 2023

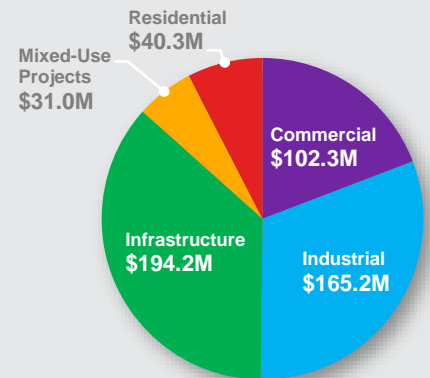


RENTAL AVERAGE DAYS ON
MARKET Q2 2023



FUTURE DEVELOPMENTS

Ballarat is set to see approximately **\$532.9M** worth of new projects commencing in the 2nd half of 2023.



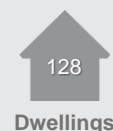
These projects will stimulate economic growth and create large employment opportunities in Ballarat, which should have a positive spill-over impact on the real estate market.

A main industrial project over the 1st half of 2023 is Weston Foods Flour Mill (\$132.9M). This create jobs in pre and post construction phases.

The Ballarat Base Hospital Stage 2 (\$125.0M) is a key infrastructure project that will improve liveability for residents and create local jobs.

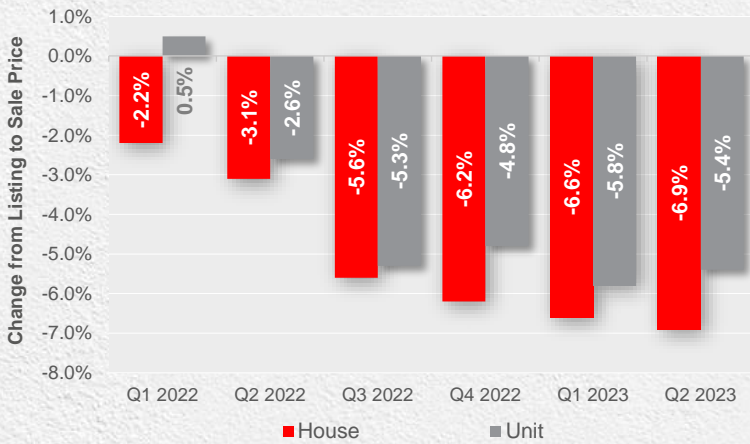
In the 1st half of 2023, residential and mixed-use projects planned include:

- Lyons Street Mixed Use (58 Units, 2 Townhouses)
- George Street Dwellings (14 dwellings)
- Joseph Street Dwellings (16 Dwellings)



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.

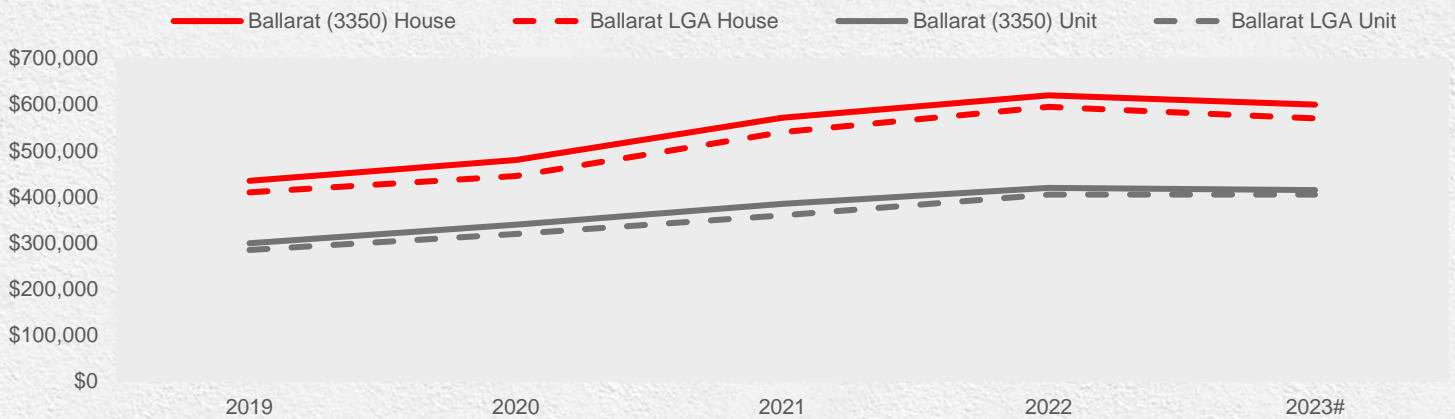


Average vendor discounts between Q2 2022 and Q2 2023 have widened to higher discounts for both houses and units, of -6.9% and -5.4% respectively. Market conditions in Ballarat* have now shifted to favour buyers, as vendors are willing to accept below the initial listing price. This creates new opportunities for buyers.

The suburb of Ballarat has historically outperformed the wider Ballarat Local Government Area (LGA) in both house and unit prices. 2023# saw both Ballarat suburb and the LGA marginally trending downwards, with only a small price difference between the two areas.

The dominant proportion of homes sold in Ballarat* across 2023# were mostly in the more affordable price between \$450,000 – \$549,000 (27.8%). In contrast, units recorded a dominant premium price point of above \$450,000 (32.2%). Affordable options are available, in particular the house market, which is good news for first home buyers. That said the house premium still remain strong, with 18.8% sold at \$750,000 and above.

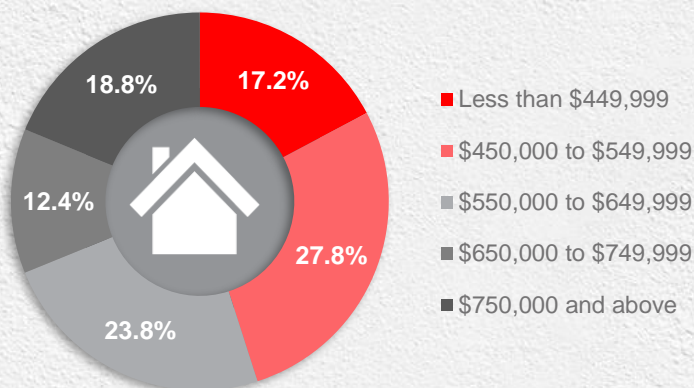
MARKET COMPARISON



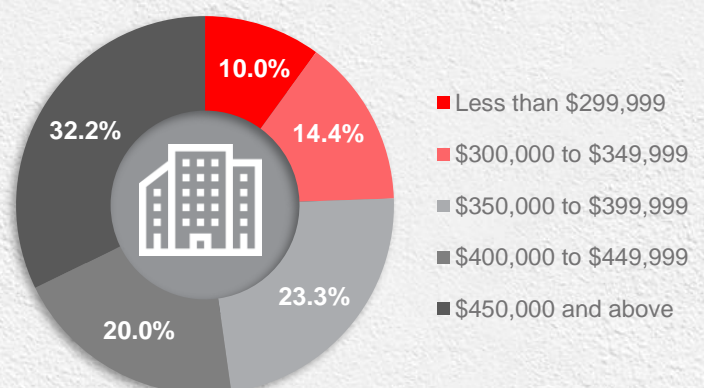
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Ballarat.

PRICE BREAKDOWN 2023#

HOUSES SOLD



UNITS SOLD

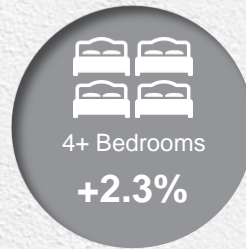


RENTAL GROWTH 2022€

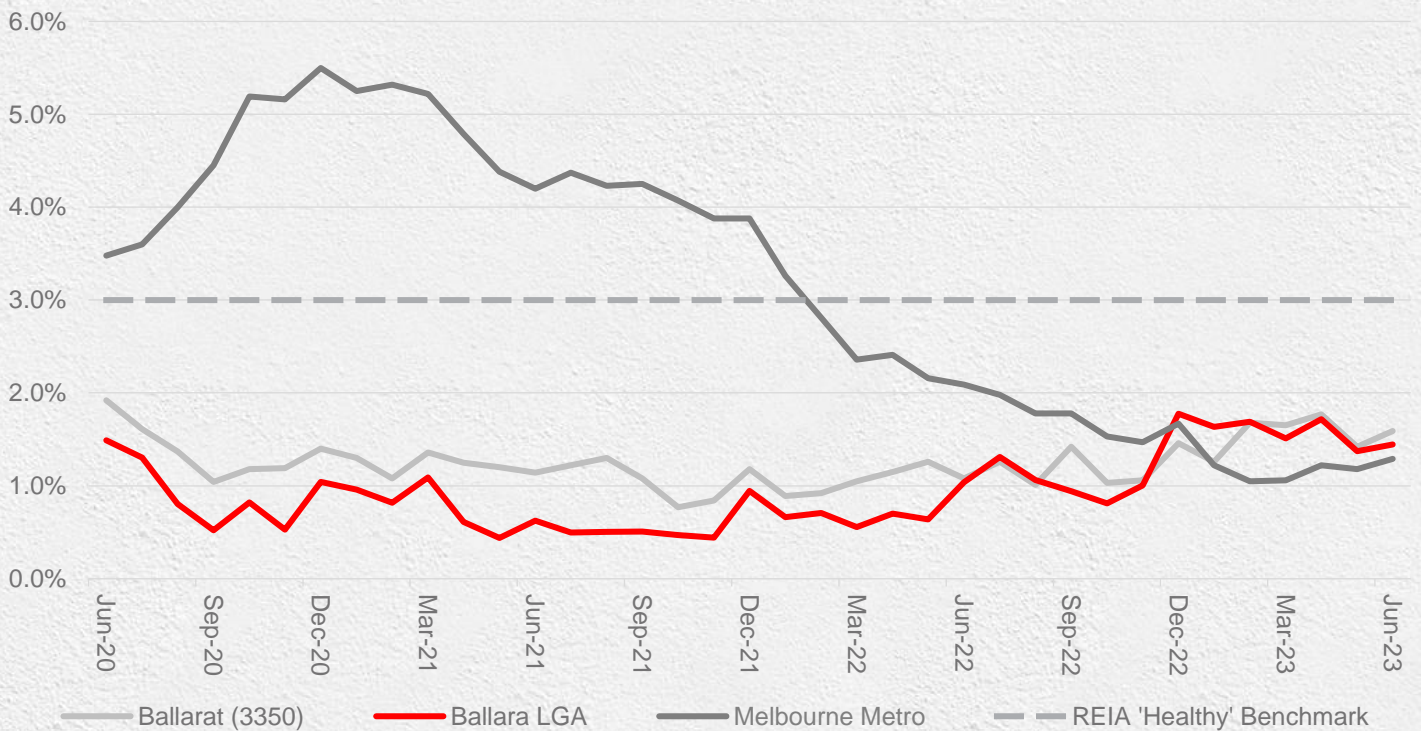
House rental yields in Ballarat* was 3.5% in June 2023, higher than Melbourne Metro (2.9%). This was paired with a 2.6% increase in median house rental price in the 12 months to Q2 2022, and stable demand for rental properties. Average days on the market remained at a low 27 (days) during this time, which suggest a resilient market. The unit market shows a highly demanded market, as median unit rental price increased by 6.3% whilst the number of units rented also increased by 10.2%.

1 bedroom units have provided investors with +18.2% rental growth annually, achieving a median rent of \$340 per week.

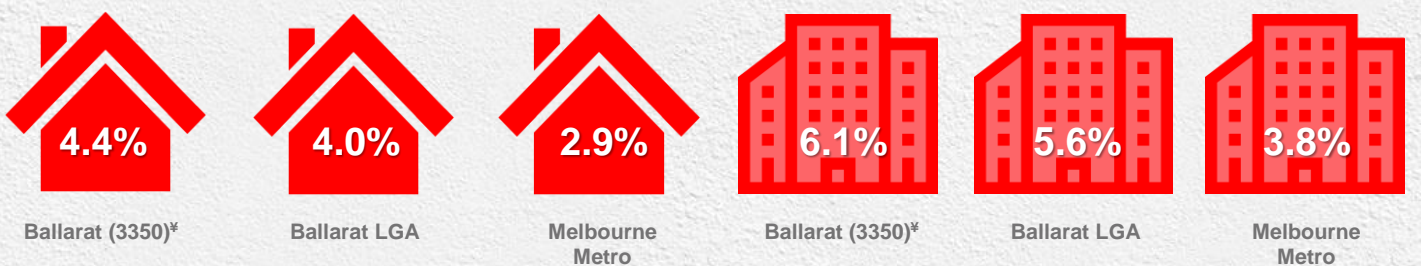
Ballarat* recorded a vacancy rate of 1.6% in June 2023, which is slightly above Melbourne Metro's 1.3% average. Vacancy rates in Ballarat* saw a slight spike in late 2022, potentially due to investors returning to market following a tight rental in early-mid 2022. However the vacancy rate is still below the Real Estate Institute of Australia's healthy benchmark of 3.0%. This suggests a conducive investment environment, especially with a more affordable property price in the past 12 months.



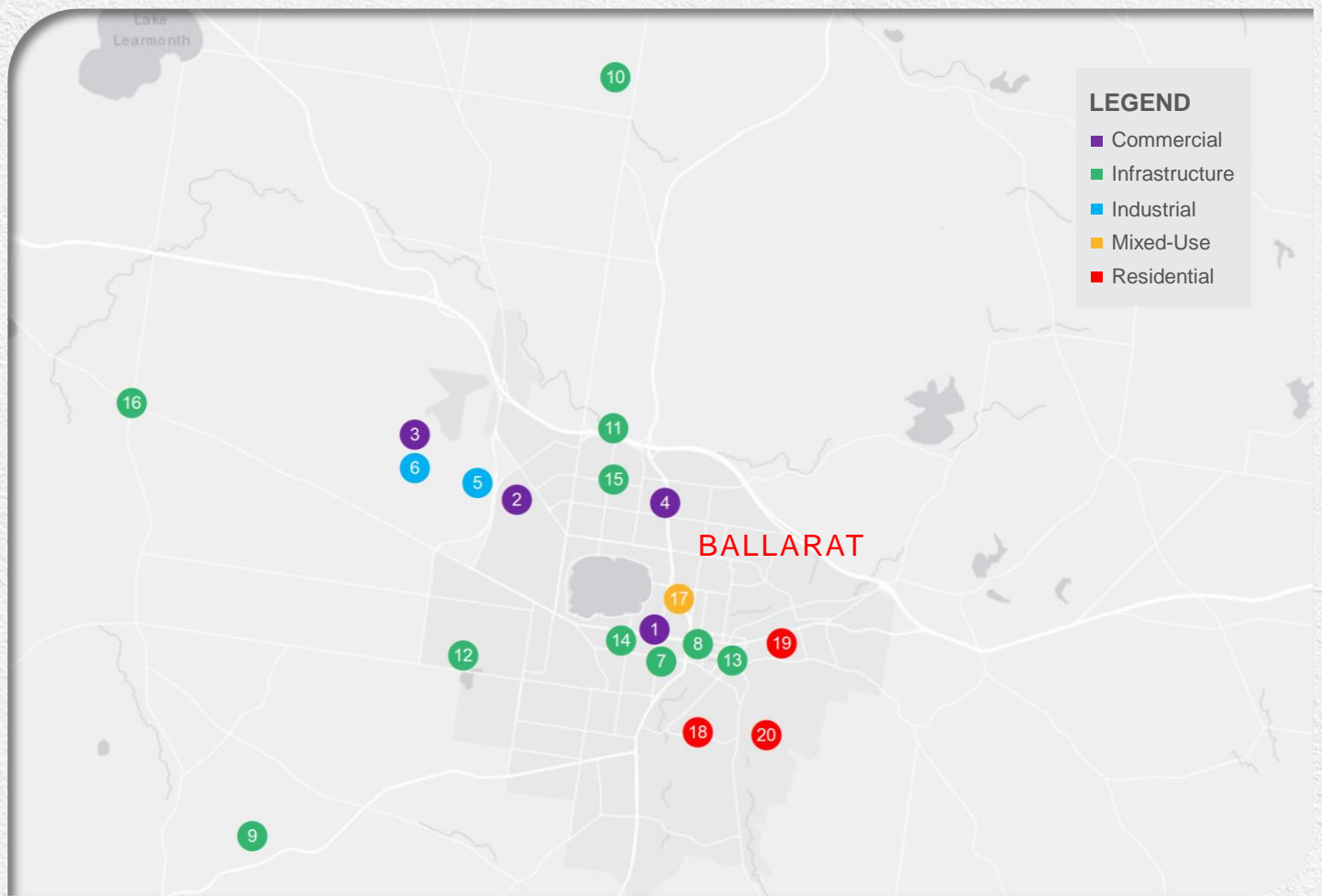
RENTAL VACANCY RATES 2023



RENTAL YIELD 2023\$



TOP DEVELOPMENTS MAP 2nd HALF 2023[†]



Location	Project [€]	Type	Estimated Value ^µ	Commence Date ^µ
1	Ballarat Base Hospital - Car Park Expansion	Commercial	\$54,000,000	04/09/2023
2	23 Trewin Street Warehouse	Commercial	\$4,500,000	04/09/2023
3	Ballarat West Employment Zone Stage 2 Mccallum Disability Services	Commercial	\$20,000,000	04/12/2023
4	1 Selkirk Drive Golden Nugget Bakehouse Wendouree	Commercial	\$4,500,000	11/12/2023
5	Mauri Flour Mill Ballarat West - George Weston Foods	Industrial	\$132,900,000	22/12/2023
6	Ballarat West Employment Zone Stage 2 Dahlsens Ballarat	Industrial	\$20,000,000	11/12/2023
7	Ballarat Base Hospital Diagnostics Relocation	Infrastructure	\$4,500,000	13/10/2023
8	National Centre For Photography Development Stage 1	Infrastructure	\$4,500,000	11/12/2023
9	Glenelg Highway & Streatham-eurambeen Road Roadworks Roundabout	Infrastructure	\$5,000,000	15/10/2023
10	Yan Yean To Bald Hill Eastern Pipeline	Infrastructure	\$5,000,000	27/09/2023
11	Mount Rowan Secondary College Year 9 Centre Upgrade	Infrastructure	\$6,114,000	04/09/2023
12	Alfredton Community Hub - Ballymanus	Infrastructure	\$6,850,000	13/10/2023
13	Bakery Hill Streetscape Redevelopment	Infrastructure	\$15,000,000	02/10/2023
14	Ballarat Base Hospital Central Energy Plant & Support Services - Stage 2	Infrastructure	\$125,000,000	01/12/2023
15	Forest Street Primary School Upgrade	Infrastructure	\$5,572,000	13/11/2023
16	Rememberance Drive & Madden Road Roundabout	Infrastructure	\$3,000,000	17/12/2023
17	4-6 Lyons Street North & Dawson Streets Mixed Use Development - Lyons Place (58 Units and 2 Townhouses)	Mixed-use	\$30,000,000	03/07/2023
18	Fraser Street Dwellings (14 Dwellings)	Residential	\$3,500,000	26/12/2023
19	312-314 Specimen Vale South & George Street Dwellings (16 Dwellings)	Residential	\$4,500,000	13/11/2023
20	430 Joseph Street Dwellings (40 Dwellings)	Residential	\$8,500,000	11/12/2023



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.



Jason Birch

Sales Manager/ Director

M +61 409 388 377

E jasonb@prdballarat.com.au



PRD Ballarat

P +61 3 5331 1111

F +61 3 5331 5778

PRD.com.au/ballarat

Level 1, 51 Lydiard Street South
Ballarat, VIC 3350

REFERENCES

*Ballarat represents aggregate property market conditions in the postcode of 3350, 3356 & 3355

** 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 1st half of 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.

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

§ 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 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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