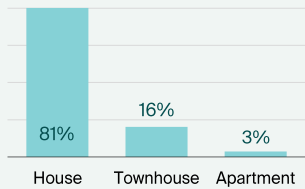

Focus on: Bowral

Research Q2 2022



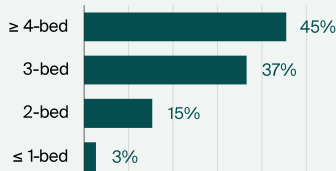
**BOWRAL
FACT SHEET**

Stock by Property Type



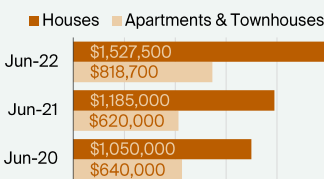
Source: Knight Frank Research, ABS

Stock by No. of Bedrooms



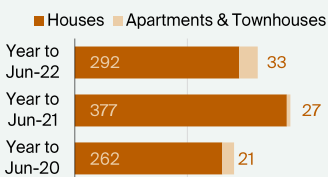
Source: Knight Frank Research, ABS

Residential Median Value



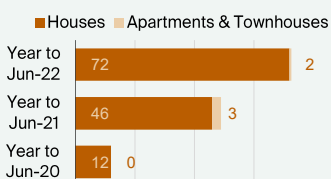
Source: Knight Frank Research, APM

Total Residential Sales



Source: Knight Frank Research

Prime Sales (\$2m+)



Source: Knight Frank Research

BOWRAL MARKET INSIGHT

Bowral encapsulates the charm of the Southern Highlands, attracting buyers to the serene country lifestyle, whilst still being commutable to the Sydney region.

Market Update

Residential property prices in Bowral have increased by 29% in the year ending June 2022. Such strong growth is complementing a trend of outperformance in pricing currently being reported across the Southern Highlands.

Pricing in Bowral has been underpinned by rising demand for homes. Sales volume has eased by 20% in the year to June 2022, following above average sales recorded with the relaxation of pandemic lockdowns.

The prime market has been a particularly strong performer, with the number of transactions for homes worth \$2 million, or more, rising by 51% over the same timeframe.

This trend reflects the Knight Frank [Global Buyer Survey 2021](#) which saw 43% of Australian respondents more inclined to next move to a rural/village location as a result of the pandemic.

When asked of location features more important in their next purchase, 63% of Australians stated proximity to green space, good air quality (56%) and good views of the ocean, mountains or skyline (51%).

Knight Frank Research forecasts residential price growth across the [Sydney prime](#) market of 4% in 2022, moderating to 0% in 2023, before price growth of 3% in 2024. The Southern Highlands is likely to lag by six months but follow a similar trend.

The Inside View

According to [Luke Hayes, Knight Frank Director of Project Sales](#), "There is still activity in the lifestyle locations of New South Wales, despite a slowdown across Greater Sydney where home prices have remained steady for the past two quarters.

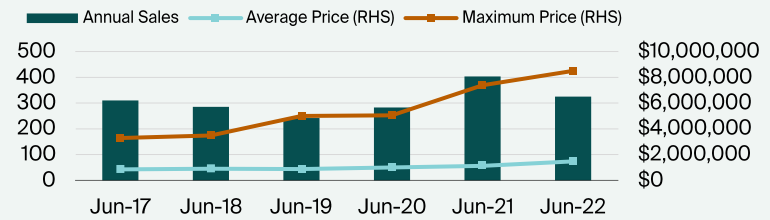
"There continues to be limited choice for well-designed luxury townhouses and apartments for rightsizers, which tend to be those downsizing from a larger Southern Highlands house, or estate.

"There are still many Sydneysiders looking for a low-maintenance second home outside of the city –as they seek a taste of the country life—whilst still having the option to commute when required."

RESIDENTIAL SALES VOLUME & VALUES

Bowral averaged 305 annual sales in the past five years. The year to June 2021 was significantly above this, with 404 annual sales, following the strict pandemic lockdowns the year before. A year later, a solid 325 properties transacted in 2022. At this time, the average price in Bowral was \$1,468,000, compared to \$869,000 in June 2017. Bowral's prestige homes have seen exceptional growth with the highest price of \$3,300,000 in 2017, to be \$8,500,000 in the year to June 2022.

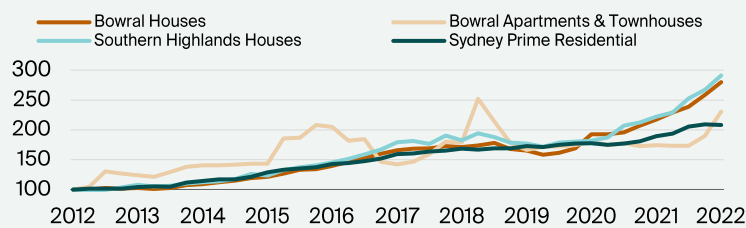
Bowral Residential Sales Volume & Prices
Settled sales only



Source: Knight Frank Research

RESIDENTIAL PRICE PERFORMANCE

Residential Price Performance
Indexed 100=Jun-12



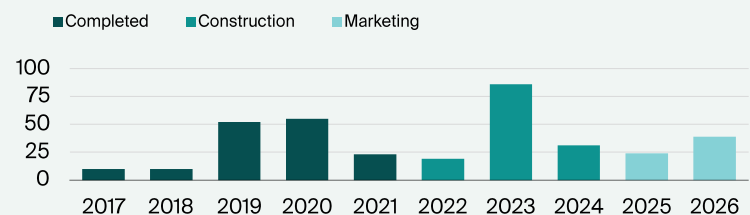
Source: Knight Frank Research

Over the past decade, established house prices in Bowral have grown by 180%, close to the Southern Highlands rate of 191%. Much of this growth took place in the latter part of the decade as a limited new supply pipeline was delivered despite increasing demand. This was also evident for Bowral apartment and townhouse prices, with 131% growth, outpacing the Sydney prime residential market with 108% growth over this time.

RESIDENTIAL DEVELOPMENT PIPELINE

There have been 150 apartments and townhouses in low-rise projects complete construction in the Southern Highlands over the past five years, with an average of 30 homes being delivered per year. There are 136 apartments and townhouses currently under construction and due for completion by the end of 2024. A further 63 homes are currently being actively marketed and expected to be built by the end of 2026.

Southern Highlands Residential Pipeline
Number of Apartments and Townhouses due for completion each year



Source: Knight Frank Research

325
Number of
annual sales

-20%
Sales volume
annual change

54
Average number of
days homes listed
on market

+29%
Capital value
annual change

3.27%
Average gross
rental yield

+17%
Rental value
annual change

Source: Knight Frank Research, APM

We like questions, if you've got one about our research, or would like some property advice, we would love to hear from you.



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