

COVID-19 changed the world. How is it impacting the Hunter?

Welcome to the 'new normal'

The COVID-19 pandemic has changed how we live. There has been widespread speculation about what that means for regional NSW, but very little hard evidence to help us understand what has changed and what those changes mean. While it's too early to fully understand the long-term impacts COVID -19 has had on the community, we have identified some early trends that put a spotlight on changes that have started to occur.



People want to live in the Hunter Region

Some things will never change

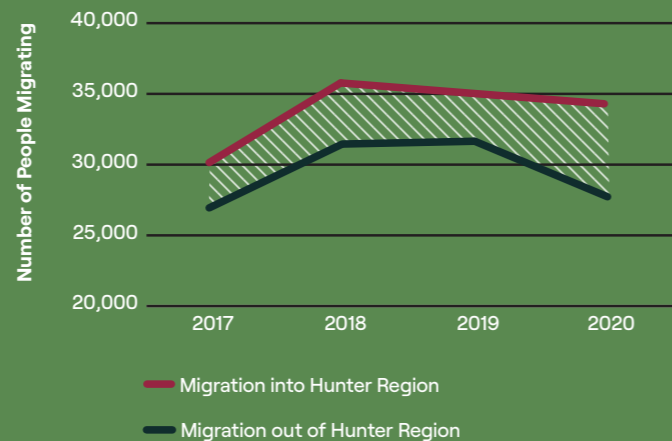
Each year, more and more people have chosen to move to the Hunter. This trend pre-dates the COVID-19 pandemic. What has changed is this:

Since the start of the pandemic, far fewer people have chosen to leave the Hunter.

The underlying reasons that drive people to move probably haven't changed, but the context has. For example, more of us can work or study from home more often. And some of us now value being closer to family more than we did before.

Whatever the reasons, the result is an increase in the number of people we had previously expected to see each year, which means we need to revisit the systems and processes in place to deliver on our future population needs – from housing, to jobs, to lifestyle.

Internal Migration Hunter Region 2016-2020



Houses don't grow on trees

But home is where our story begins

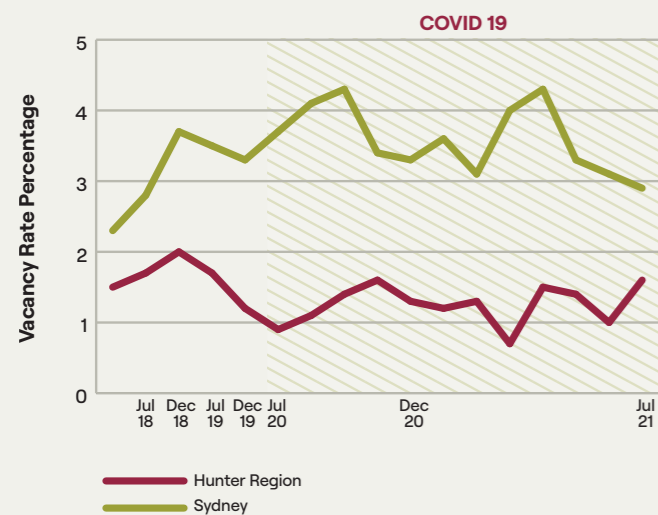
The greatest number of people are still choosing to live in the Greater Newcastle local government areas, and the highest volume of new growth is emerging through the renewal of Newcastle's City Centre, increasing densities around the University of Newcastle's Callaghan campus, and where greenfield development sites are available in Central Hunter, bounded by the strategic centres of Maitland, Singleton, and Cessnock.

The strategic planning framework driving the distribution of growth hasn't changed since the pandemic. But...

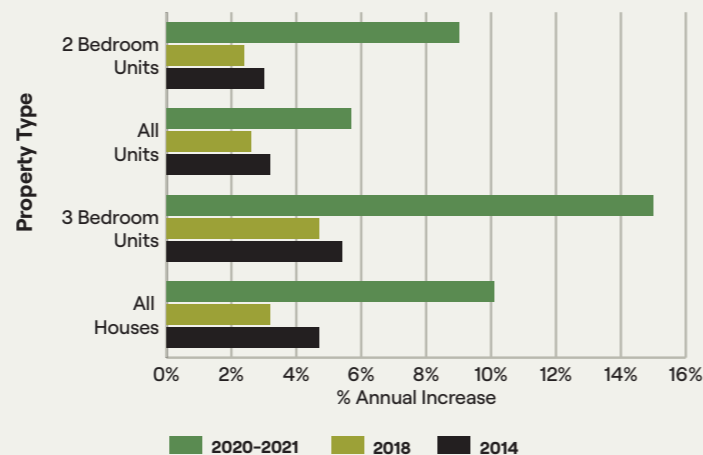
The supply of new housing has not kept pace with population growth, resulting in a large increase in house prices and a reduction in homes available to rent.

Theoretical supply doesn't convert to a house for sale overnight, and several factors limit the rate at which new properties hit the market. But it's not just about volume – composition matters. Supply needs to be agile to reflect the Region's changing demographics, right now that means 'turning up' the supply of 3 to 4-bedroom houses and 2 bedroom units.

Residential Vacancy Rate for the Hunter Region 2018-2021



Change in Weekly Rental Prices for the Hunter Region 2014-2021



Confidence equals jobs

Time to take care of business

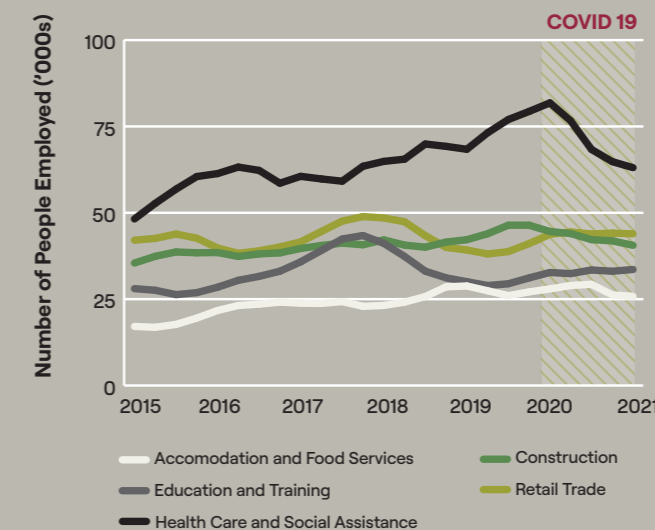
Like everywhere else in the world, employment in the Hunter took a dip as a result of COVID-19, but appears to have stabilised. We're now seeing growing numbers of job vacancies, which suggests confidence is returning and some businesses are starting to recover and grow.

We still need skills (i.e people) to fill the jobs that were always on offer, and we now need to fill the professional roles being created.

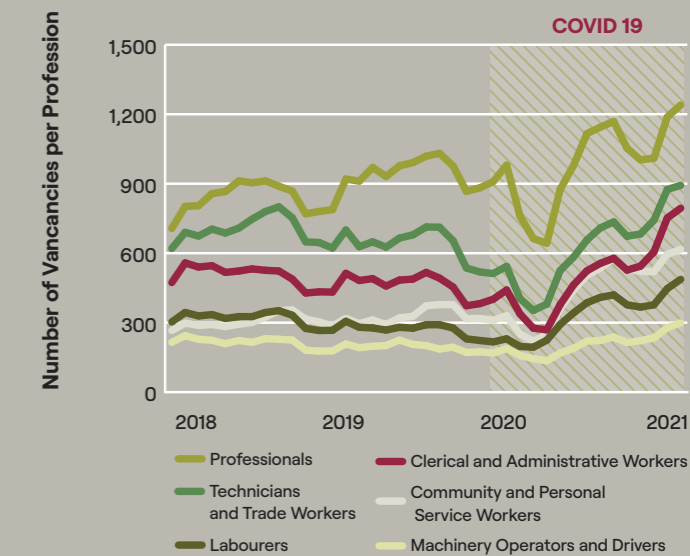
To keep our economy moving, we need to very quickly fill the demand for technicians & trade workers (to keep our construction industry and housing supply moving) and clerical and administrative workers.

Plus, we need to attract or cultivate more professional-level skills to capitalise on growing economic confidence.

COVID Impacts on Employment Opportunities 2016-2021



Hunter Region Major Employment Industries 2016-2021



Key stats



750,000 people call the Hunter home, **growing** by around **9,000** people each year



A town the size of Parkes is added to the Hunter every year



The asking price of a 3 bedroom home in the Hunter has **risen by 15%** between 2020 and 2021



A home sold in March 2020 for **\$450,000**, would sell for close to **\$520,000** in 2021



Since 2018 the Residential Vacancy Rate in the Hunter Region has **remained below 2%**. In July 2021, it was **1.6%**, which is **almost half of Sydney's vacancy rate**



Health care and social assistance is the number one industry, employing over 63,000 people, **retail** is second with 44,000



The Hunters key professions have at least **doubled the number of job vacancies** between June 2020 and April 2021



Clerical and administrative job vacancies have nearly **tripled** between June 2020 and April 2021

We need to invest in the Hunter Region



It's time to make the most of the new opportunities



The Hunter is still the largest regional economy in Australia, and Greater Newcastle is still the 7th largest city in Australia. So, the Hunter remains a fantastic region in which to invest.



How (and how quickly) investment in the Region is directed matters more now than ever before.



The trends we're seeing now started before the pandemic; they have simply been amplified by its impact.



Our weaknesses have been certainly been exposed, notably revealing a land supply that is shallow and sluggish and a housing market that is slow to adapt to changes in demand.



Business confidence and a slow down of people leaving demonstrate that there are green shoots of new opportunities forming around the region.



Now is the time to take the green shoots and grow the opportunities. We need to continue retaining and attracting people by offering them unique and amazing opportunities at any stage in their life.



This requires planning, coordination, and leadership at all levels of Government.

Images: Hunter and Central Coast Development Corporation.



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