

**Port Stephens**  
Property Factsheet  
1st Half 2018





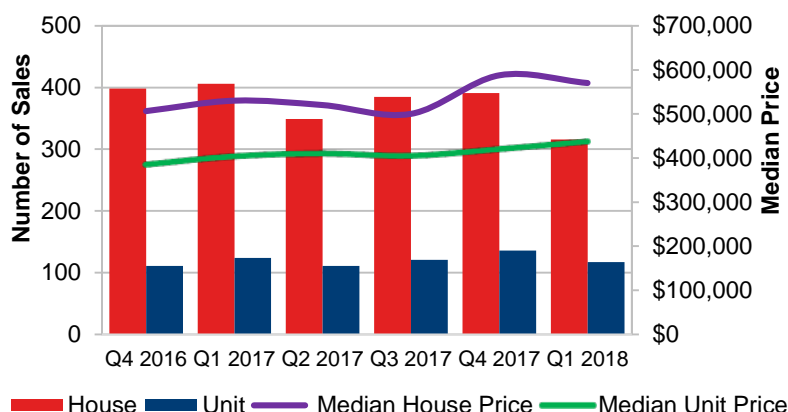
## MARKET CONDITIONS

The Port Stephens\* property market recorded a median house price of \$637,500 and \$479,000 for units in Q1 2018, representing an annual price growth of 2.7% and 6.4% respectively. Over the same period of time, house prices in the Port Stephens Council Local Government Area (LGA) grew by 7.5% to \$570,000 and unit prices grew by 8.2% to \$437,000. This suggests that Port Stephens\* offers a more premium market than the wider LGA whilst still remaining more affordable when compared to Sydney's\*\*\* median house and other dwelling prices of \$1,150,357 and \$740,000. Buyers are urged to capitalise on capital growth and affordability in Port Stephens\*.

Average vendor discounting for houses have widened to -3.8% for houses and -5.5% for units over the past 12 months to Q1 2018. This suggests sellers are more willing to negotiate on initial asking prices. This is balanced out with positive annual growth in median house and unit prices, allowing increased affordability for buyers but positive capital growth benefits for sellers. Average days on market have declined by -24.4% for houses and -18.3% for units, which indicates an increasing interest in the Port Stephens property market.

Median rent in Port Stephens\* has remained relatively stable for units over the past 12 months to Q1 2018, currently at \$380 per week. Meanwhile median rent for houses experienced a partial softening to \$440 per week. Investors are benefiting from strong rental yields of 3.3% (houses) and 4.2% (units), much greater than Sydney Metro yields of 2.9% and 3.8% respectively. Further, rental desirability for this market is supported by a low vacancy rate of 1.5% as at December 2017. Conducive conditions for astute investors is on offer in Port Stephens\* affordable property market. Buyers are urged to act now.

## PORT STEPHENS COUNCIL GROWTH



## OVERVIEW

Port Stephens is a 2 hour drive north of Sydney and boasts both rural and coastal environments, as well as a rapidly growing population base. According to the ABS Census 2016, 69,556 people lived in the Port Stephens Council area, a 7.3% increase over the past 5 years. Residents enjoy an abundance of lifestyle options without the high cost of city living.

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

## FUTURE DEVELOPMENTS\*\*

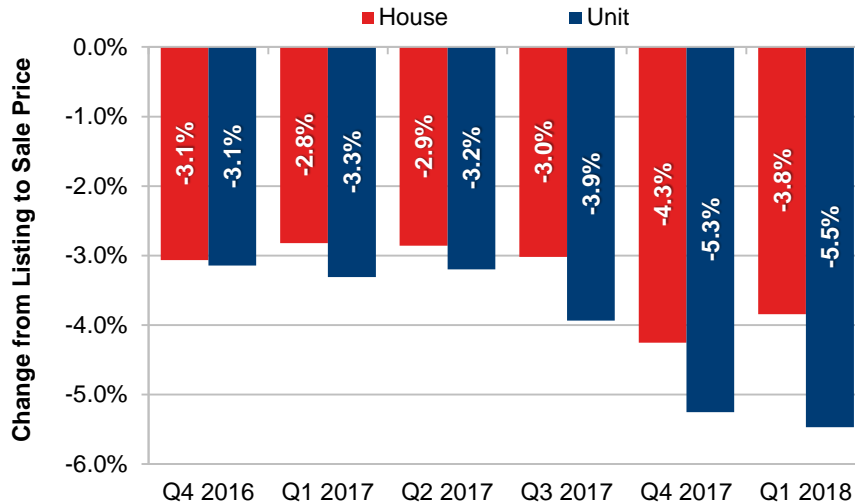
Port Stephens\* is set to see approximately \$21.6M of new projects commencing in the 1<sup>st</sup> half of 2018. Infrastructure projects account for the majority (\$10.3M or 47.7%), followed by commercial (\$5.5M or 25.3%), residential (\$5.0M or 23.0%), and industrial (\$0.9M). The focus on infrastructural projects will improve livability benefits in Port Stephens, further attracting investors into the market.

An important project commencing in the 1<sup>st</sup> half of 2018 is the Newcastle Airport Terminal. This involves a \$3.0M upgrade of the existing airport to cater for the growth of domestic flights and meet the needs of the local community. Further expansion is on the pipeline as per the 2036 Newcastle Airport Vision.

Port Stephens\* plans to deliver an additional 14 townhouses and 3 units to the market in the 1<sup>st</sup> half of 2018. There are 3 key residential projects, which will include the Bagnall Avenue Townhouses (valued at \$3.0M), Government Rd Townhouses - Silverpoint (\$1.5M) and Norfolk Street Units (\$0.5M).

\*Port Stephens market data and key indicators encapsulates aggregate property market conditions in the following suburbs: Anna Bay, Corlette, Nelson Bay, Salamander Bay, Shoal Bay and Soldiers Point.  
\*\*Estimated values are based on construction value provided by the relevant data authority and does not reflect commercial and/or re-sale value.  
\*\*\*Based on REIA Real Estate Market Facts March quarter 2018 report  
Source: APM Pricefinder, REIA © Copyright PRDNationwide 2018.

## AVERAGE VENDOR DISCOUNT



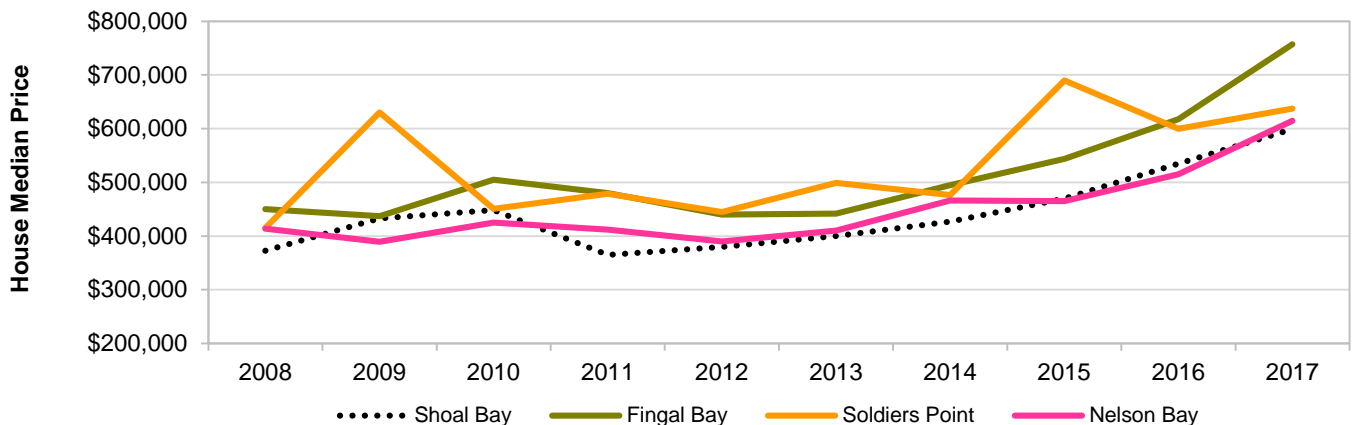
### AVERAGE VENDOR DISCOUNT

Average vendor discount reflects the average percentage difference between first list price and final sold price. A lower percentage difference (closer to 0) suggests buyers are willing to purchase close to the first asking price of a property.

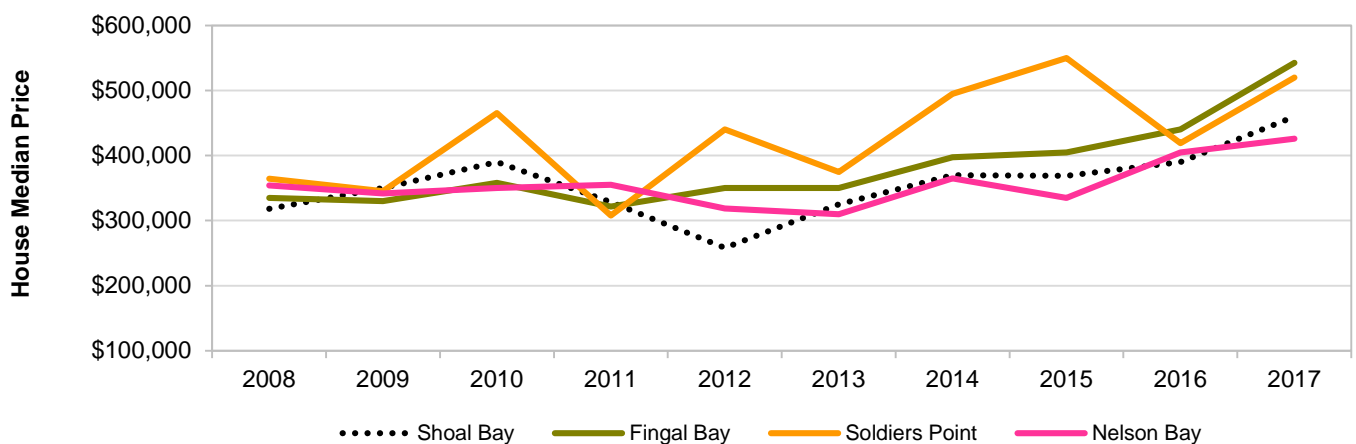
### MARKET COMPARISON GRAPH

The market comparison graph provides comparative trend for median price of house and units over the past 10 years. Suburbs profiled are chosen based on proximity to the main suburb analysed in the factsheet, which is Shoal Bay. The main suburb is highlighted through a dotted black line graph.

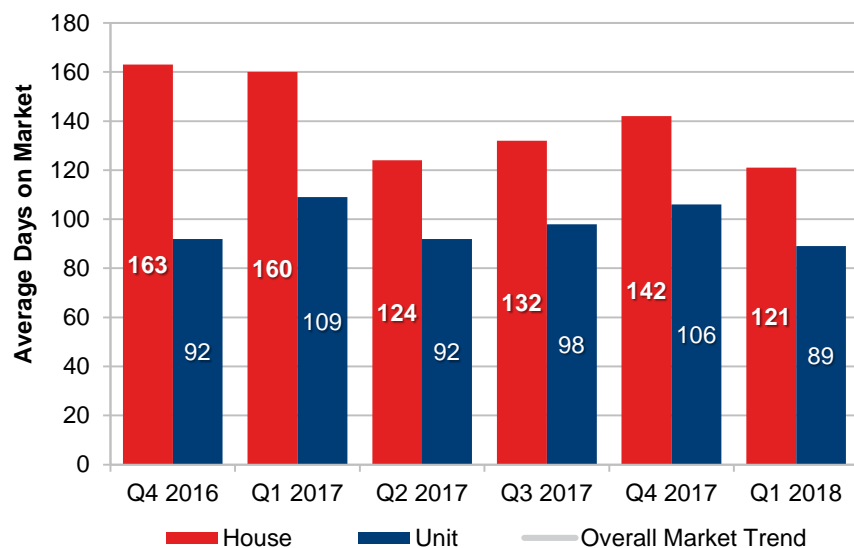
## HOUSE MARKET COMPARISON



## UNIT MARKET COMPARISON



## AVERAGE DAYS ON MARKET\*\*



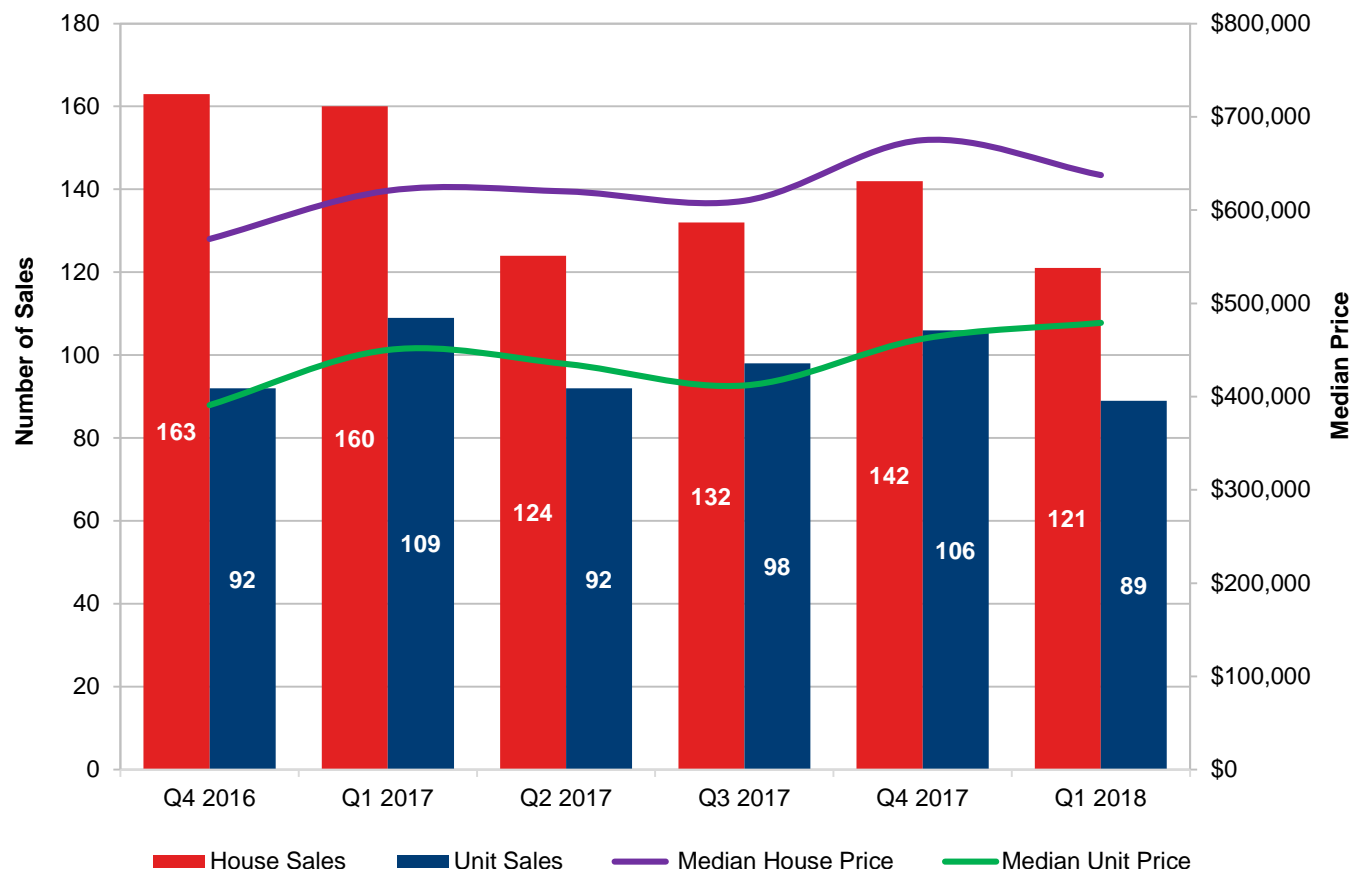
### HOUSE KEY FACTS Q1 2018

Median Sale Price: \$637,500  
Annual Growth: 2.7%\*  
Average Days on Market: 121  
% Change between First Listed Price and Sold Price: -3.8%

### UNIT KEY FACTS Q1 2018

Median Sale Price: \$479,000  
Annual Growth: 6.4%\*  
Average Days on Market: 89  
Change between First Listed Price and Sold Price: -5.5%

## SALES AND MEDIAN PRICE\*\*



\*Annual growth represents price growth for property transactions between Q1 2017 to Q1 2018 (inclusive).

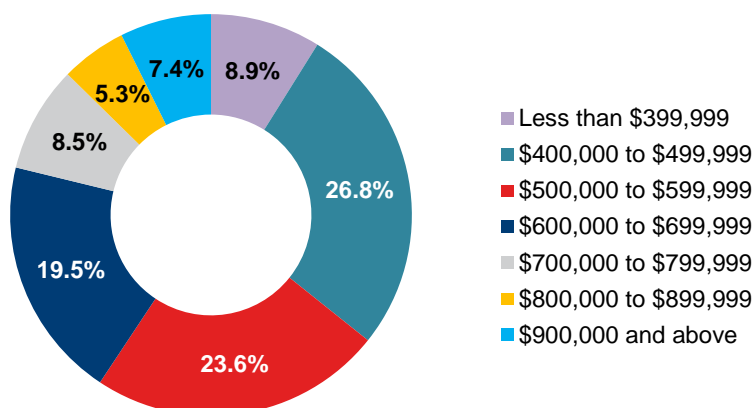
\*\*Port Stephens market data and key indicators encapsulates aggregate property market conditions in the following suburbs: Anna Bay, Corlette, Nelson Bay, Salamander Bay, Shoal Bay and Soldiers Point.

Source: APM Pricefinder, realestate.com.au, SQM Research. © Copyright PRDNationwide 2018.

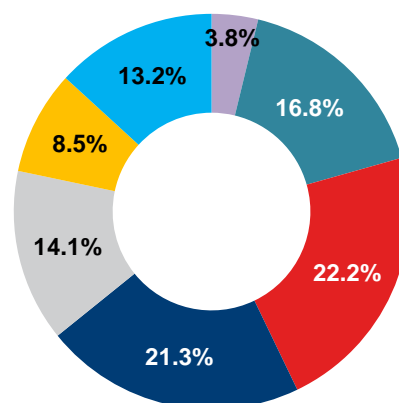


## SALES PRICE POINT COMPARATIVE ANALYSIS

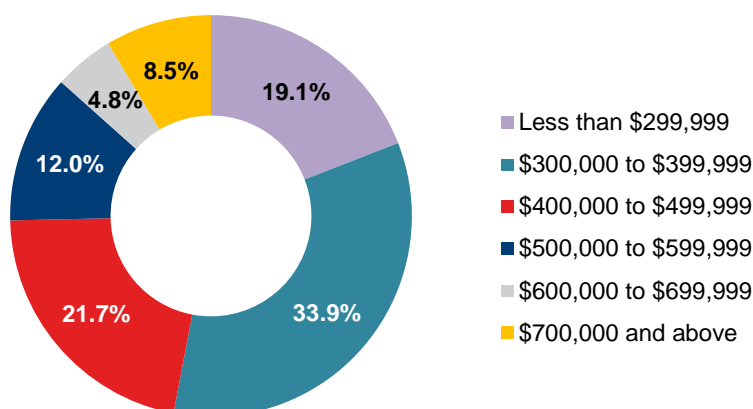
### HOUSE PRICE POINT 2016



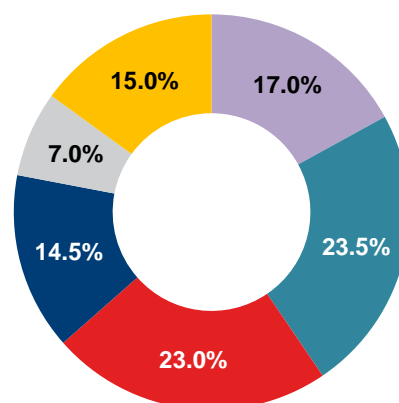
### HOUSE PRICE POINT 2017



### UNIT PRICE POINT 2016



### UNIT PRICE POINT 2017



#### KEY IMPLICATIONS - HOUSE

The proportion of houses sold in Port Stephens\* in 2017 were primarily in the \$500K-\$600K price segment (22.2%). This was closely followed by the \$600K-\$700K segment (21.3%), suggesting strength in the middle part of the market where affordable options are in abundance.

Sales occurring in the \$400K-\$500K price range have declined considerably from 26.8% (2016) to 16.8% (2017) of sales. Furthermore, house sales in price brackets higher than \$700K have increased, in particular \$900K and above from 7.4% to 13.2%. This indicates a shift into higher price brackets and suggests higher quality stock entering the Port Stephens\* market. Buyers and investors are urged to consider these opportunities.

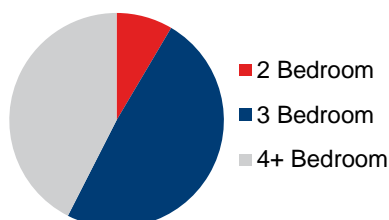
#### KEY IMPLICATIONS - UNIT

The proportion of units sold in Port Stephens\* in 2017 were mostly within the \$300-\$400K price segment (23.5%), declining considerably from 33.9% in 2016. Over the same time, sales below \$300K declined from 19.1% to 17.0%. This indicates a decreasing availability of options in lower price brackets and that affordable opportunities are limited. Buyers are urged to act now.

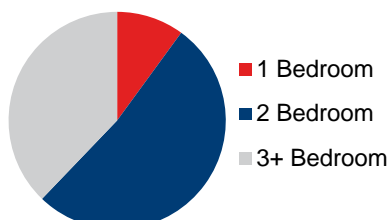
During 2017 unit sales in price segments above \$400K experienced partial increases, in particular the \$700K and above segment (from 8.5% to 15.0%). This suggests that there is a higher quality of stock entering the unit market, which will provide attractive opportunities for investors and occupiers.

## INVESTMENT ANALYSIS

### HOUSE



### UNIT



### HOUSE KEY FACTS Q1 2018

Median Rent Price: \$440 per week  
Rental Yield: 3.3%  
Average Days on Market: 27  
Bedroom Breakdown:  
2 Bed: 9%, 3 Bed: 49%, 4+ Bed: 43%

### UNIT KEY FACTS Q1 2018

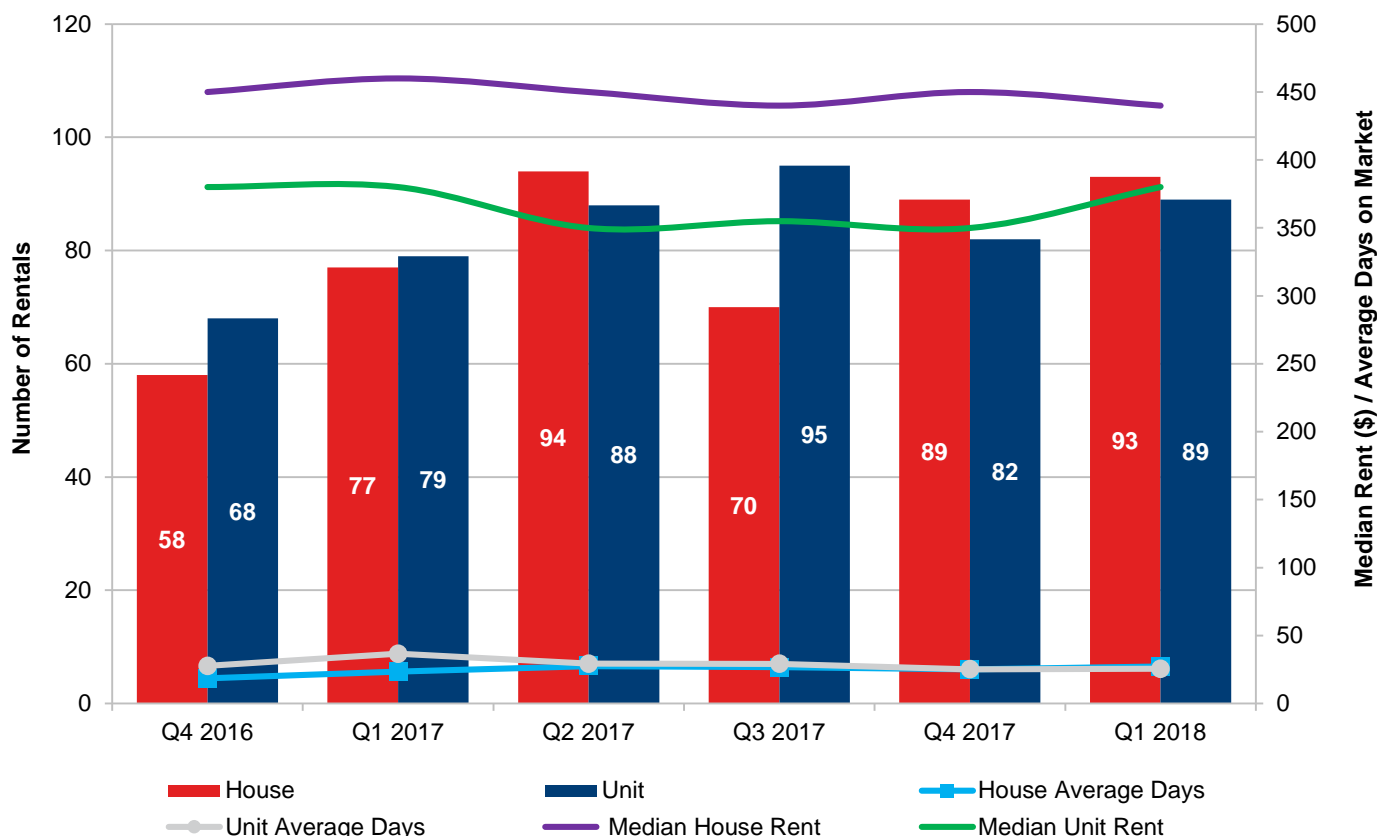
Median Rent Price: \$380 per week  
Rental Yield: 4.2%  
Average Days on Market: 25  
Bedroom Breakdown:  
1 Bed: 10%, 2 Bed: 52%, 3+ Bed: 38%

### KEY COMMENTS

Over the past 12 months, the median rental price in Port Stephens\* has remained stable for units, currently at \$380 per week in Q1 2018. Over the same period of time, rental activity in Port Stephens\* has increased significantly with the number of rental properties growing by a substantial 20.8% (houses) and 12.7% (units). This indicates an increasingly competitive rental market, and in particular rental return advantages in the unit market. Investors are strongly encouraged to capitalise on both affordable purchase prices and solid returns.

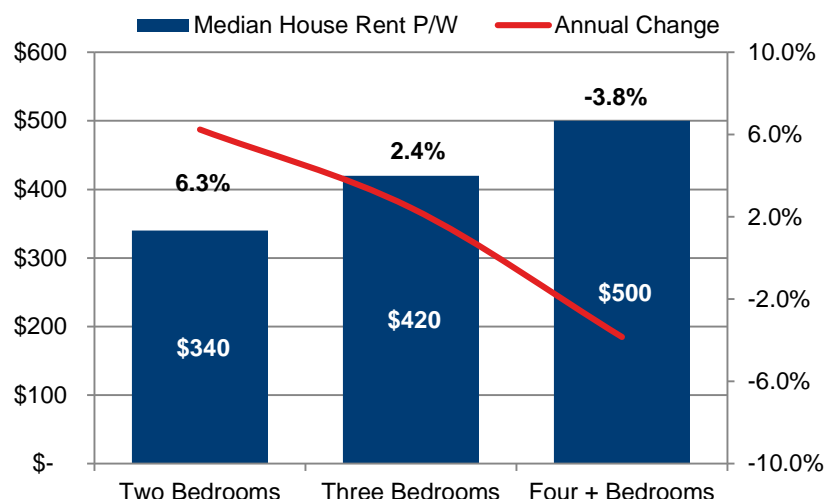


## MEDIAN RENT AND AVERAGE DAYS ON MARKET\*



\*Disclaimer: Port Stephens market data and key indicators encapsulates aggregate property market conditions in the following suburbs: Anna Bay, Corlette, Nelson Bay, Salamander Bay, Shoal Bay and Soldiers Point.  
Source: APM Pricer, SQM Research. © Copyright PRDnationwide 2018.

## RENTAL PERFORMANCE 2017\*



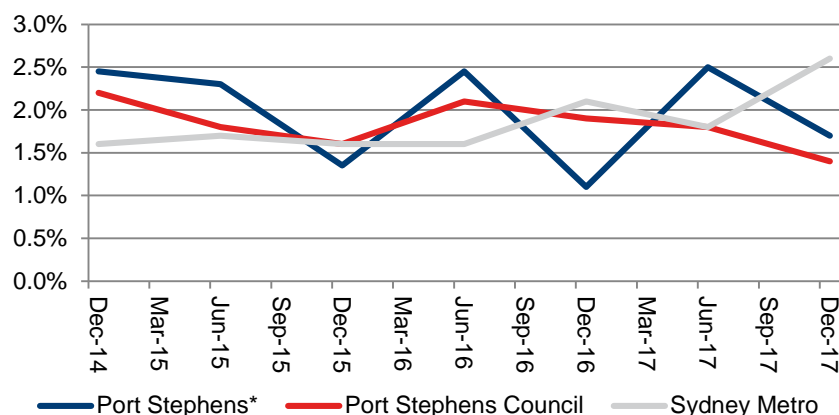
### KEY COMMENTS

Rental returns are particularly strong in the Port Stephens LGA, with yields of 3.9% (houses) and 5.4% (units). Port Stephens\* also presented highly desirable rental returns of 3.3% for houses and 4.2% for units, much greater than Sydney Metro yields.

Two bedroom houses provide the highest annual rental growth at 6.3%.

The vacancy rate in Port Stephens\* and Port Stephens LGA was 1.7% and 1.4% (respectively) in December 2017. Not only is this much lower than Sydney Metro (2.6%) it is trending downwards, which suggests a healthier rental demand market.

## VACANCY RATES 2017



## RENTAL YIELD 2017

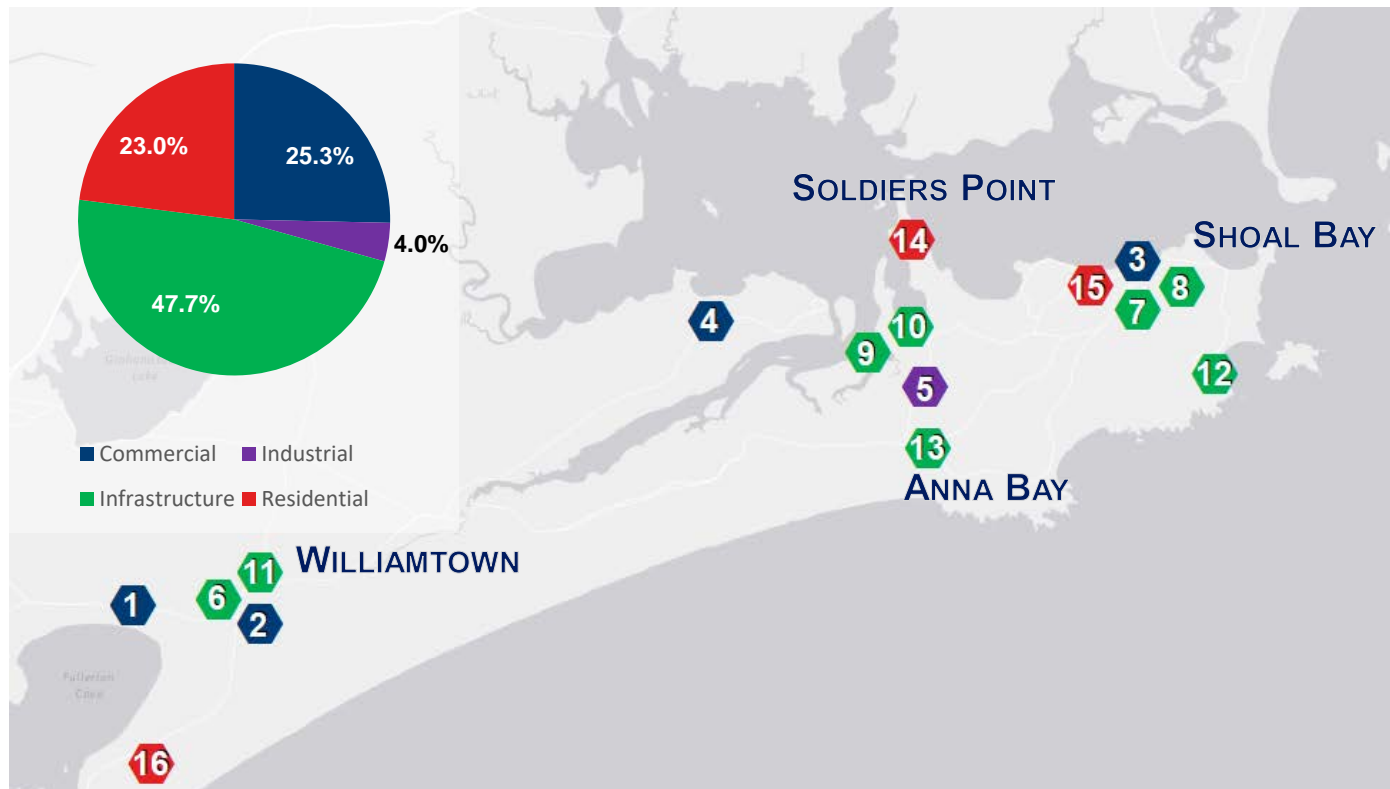
Suburb/ Postcode/ LGA	House Rental Yield	Unit Rental Yield
Port Stephens*	3.3%	4.2%
Port Stephens Council (LGA)	3.9%	5.4%
Sydney Metro	2.9%	3.8%

## KEY HOUSING DEMOGRAPHICS

	2315	2317	Port Stephens LGA	New South Wales
Median weekly household income	\$1,124	\$1,043	\$1,180	\$1,486
Median monthly mortgage repayments	\$1,733	\$1,692	\$1,733	\$1,986
Unemployed	7.3%	6.9%	7.2%	6.3%
Professionals	17.2%	15.7%	14.7%	23.6%
Owned outright	43.4%	45.4%	38.6%	32.2%
Owned with mortgage	23.7%	23.2%	31.3%	32.3%
Rented	29.1%	26.6%	26.2%	31.8%

\*Rental performance graph represents aggregate house median rent prices in the following suburbs: Anna Bay, Corlette, Nelson Bay, Salamander Bay, Shoal Bay and Soldiers Point. Annual change is a comparison between 2016 and 2017 median rent figures.  
Source: APM Pricer, SQM Research, ABS Census 2016. © Copyright PRDnationwide 2018.

## PROJECT DEVELOPMENT MAP 1<sup>st</sup> HALF 2018\*



Location	Project**	Type	Estimated Value***	Commence Date****
1	Williamtown Quarry Project	Commercial	\$2,000,000	03/06/2018
2	Newcastle Airport Aerospace East	Commercial	\$2,000,000	09/04/2018
3	Dalbora Marina	Commercial	\$781,000	16/03/2018
4	Beatty Boulevard Child Care Centre & Commercial Premises	Commercial	\$684,000	25/06/2018
5	Shearwater Drive Light Industrial	Industrial	\$860,000	18/04/2018
6	Newcastle Airport Terminal	Infrastructure	\$3,000,000	07/05/2018
7	Yacaaba Street To Victoria Parade Road	Infrastructure	\$1,800,000	20/04/2018
8	Yacaaba Street Roadworks	Infrastructure	\$1,500,000	05/04/2018
9	Taylors Beach	Infrastructure	\$1,400,000	27/04/2018
10	Taylors Beach Wharf	Infrastructure	\$1,200,000	19/02/2018
11	RAAF Base Williamtown	Infrastructure	\$500,000	28/05/2018
12	Fingal Bay Rural Fire Station	Infrastructure	\$500,000	23/04/2018
13	James Patterson Drive To Gordon Close Footpath	Infrastructure	\$380,000	20/03/2018
14	Bagnall Avenue Townhouses (8 Townhouses)	Residential	\$2,955,000	18/06/2018
15	Government Rd Townhouses – Silverpoint (6 Townhouses)	Residential	\$1,500,000	14/05/2018
16	Norfolk Street Units (3 Units)	Residential	\$500,000	05/03/2018

\*Disclaimer: 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 Anna Bay, Corlette, Nelson Bay, Salamander Bay, Shoal Bay and Soldiers Point.

\*\*\*Estimated value is the value of construction costs provided by relevant data authority, it does not reflect the project's sale/commercial value.

\*\*\*\*Commencement date quoted for each project is an approximate only, as provided by the relevant data authority, PRDNationwide does not hold any liability to the exact date.

Source: Cordell Database, ESRI ArcGIS, Department of Planning and Environment NSW, Port Stephens Council. © Copyright PRDNationwide 2018.



## ABOUT PRDnationwide RESEARCH

**PRDnationwide's research division provides reliable, unbiased, and authoritative property research and consultancy to clients in metro and regional locations across Australia**

Our extensive research capability and specialised approach ensures our clients can make the most informed and financially sound decisions about residential and commercial properties.

## OUR KNOWLEDGE

**Access to accurate and objective research is the foundation of all good property decisions**

As the first and only truly knowledge based property services company, PRDnationwide shares experience and knowledge to deliver innovative and effective solutions to our clients.

We have a unique approach that integrates people, experience, systems and technology to create meaningful business connections. We focus on understanding new issues impacting the property industry; such as the environment and sustainability, the economy, demographic and psychographic shifts, commercial and residential design; and forecast future implications around such issues based on historical data and fact.

## OUR PEOPLE

**Our research team is made up of highly qualified researchers who focus solely on property analysis**

Skilled in deriving macro and micro quantitative information from multiple credible sources, we partner with clients to provide strategic advice and direction regarding property and market performance. We have the added advantage of sourcing valuable and factual qualitative market research in order to ensure our solutions are the most well considered and financially viable.

Our experts are highly sought after consultants for both corporate and government bodies and their advice has helped steer the direction of a number of property developments and secured successful outcomes for our clients.

## OUR SERVICES

**Our research services span over every suburb, LGA, and state within Australia; captured in a variety of standard and customized products**

We have the ability and systems to monitor market movements, demographic changes and property trends. We use our knowledge of market sizes, price structure and buyer profiles to identify opportunities for clients and provide market knowledge that is unbiased, thorough and reliable.



### 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

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