



Hervey Bay Area
Property Factsheet
1st Half 2018





MARKET CONDITIONS

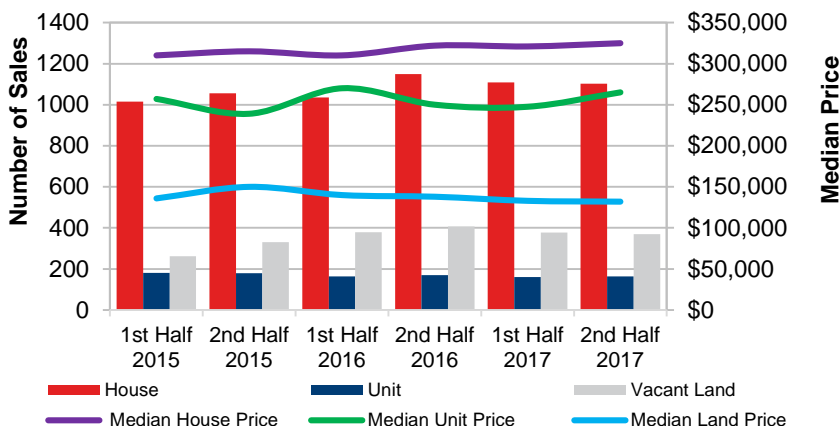
The property market in the Hervey Bay* area recorded a median house price of \$348,000 and \$268,000 for units in 2nd half 2017, which represents an annual price change of 0.9% and 5.1% respectively. Over the same period of time (2nd half 2016 to 2nd half 2017), house prices in The Fraser Coast Regional Local Government Area (LGA) also grew by 0.9% to \$325,000 and unit prices grew by 6.0% to \$265,000.

Compared to Fraser Coast LGA, both houses and units in Hervey Bay* are premium price markets, with comparable annual growth. Those looking to enter the property market in Hervey Bay* may need to be prepared for higher prices but will benefit from a capital growth perspective. Thus Hervey Bay* offers exciting opportunities to secure an ideal property while stock is available.

Average vendor discounting for houses has remained stable at -5.2% over the past 12 months to 2nd half 2017. Over the same period of time, vendor discounting for units has tightened to -5.2%, suggesting that unit sellers are achieving closer to their first listing price. That said, sellers in Hervey Bay* are still willing to accept offers that are lower than their first asking price, thus providing conditions for buyers to negotiate and secure their dream property.

Median rent in Hervey Bay* has increased for houses whilst remaining relatively stable for units over the past 12 months to December 2017, currently at \$350 per week (house) and \$290 per week (units). Investors are benefiting from rental yields of 4.7% (house) and 5.7% (units), which is slightly higher than that of Fraser Coast Regional – 4.4% and 5.3% respectively. This signals that Hervey Bay*, provides great returns without sacrificing affordability.

FRASER COAST REGIONAL GROWTH



OVERVIEW

The City of Hervey Bay is located approx. 289km from the Brisbane CBD. It is the 10th most populous place in Queensland, recording 49,356 residents in 2016, which comprises couples without children (31.6%) and singles (24.3%). This is a 9.2% increase since 2011. At the same time, the number of dwellings increased by 9.6%. This suggests that there is a balance between supply and demand.

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

FUTURE DEVELOPMENTS**

Hervey Bay* is set to see approx. \$40.0M** of new projects commencing in the 1st half of 2018. Infrastructure accounted for majority of value (\$18.5M or 46.2%). This is followed by residential (\$15.0M or 37.5%), commercial (\$5.6M or 13.9%), and industrial (\$1.0M or 2.5%).

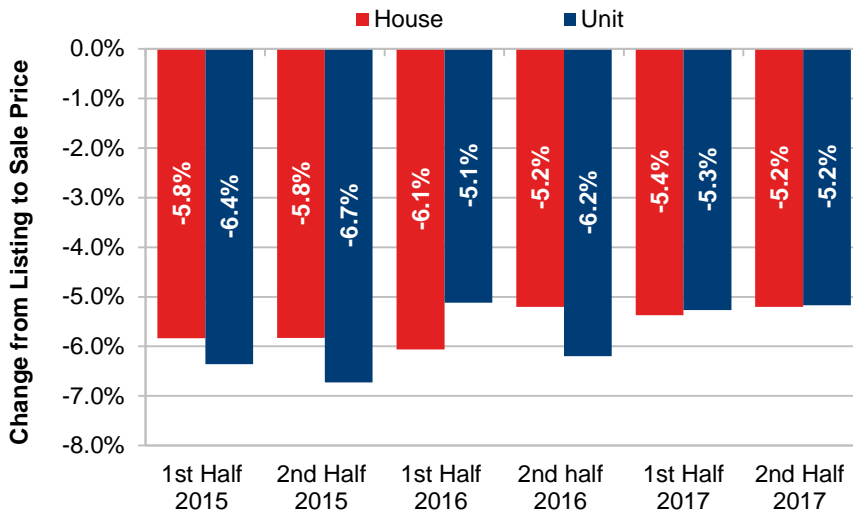
Although there is a focus on infrastructure projects this will provide increased connectivity and liveability, with positive spill-over effects on the property market. Meanwhile residential projects will add to property stock, to meet population growth demand and maintain affordability.

A significant residential project to start in the 1st half of 2018 is the Esplanade Development Site (\$5.0M). This is a high-density development consisting of 10 units, over 2,032 sqm.

Another important project is the Boundary Road Residential Subdivision Stages 1-5. This project involves reconfiguration of land into 94 residential lots. It has an approx. value of \$25.0M and is scheduled to commence in April 2018. Altogether, 16 units and 198 lots will be added.

*Hervey Bay market data and key indicators encapsulates aggregate property market conditions in the following suburbs in postcode 4655.
**Estimated values are based on construction value provided by the relevant data authority and does not reflect commercial and/or re-sale value. Quoted construction and completion dates are estimate only, as per relevant data authority.
Source: APM Pricerfinder, realestate.com.au. © Copyright PRDNationwide 2018.

AVERAGE VENDOR DISCOUNT



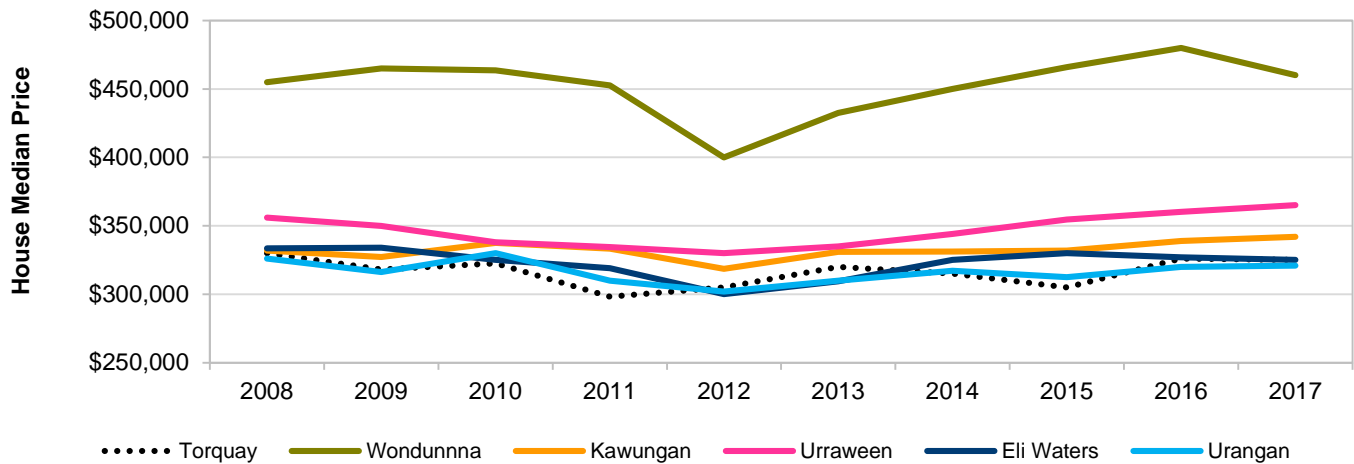
AVERAGE VENDOR DISCOUNT

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.

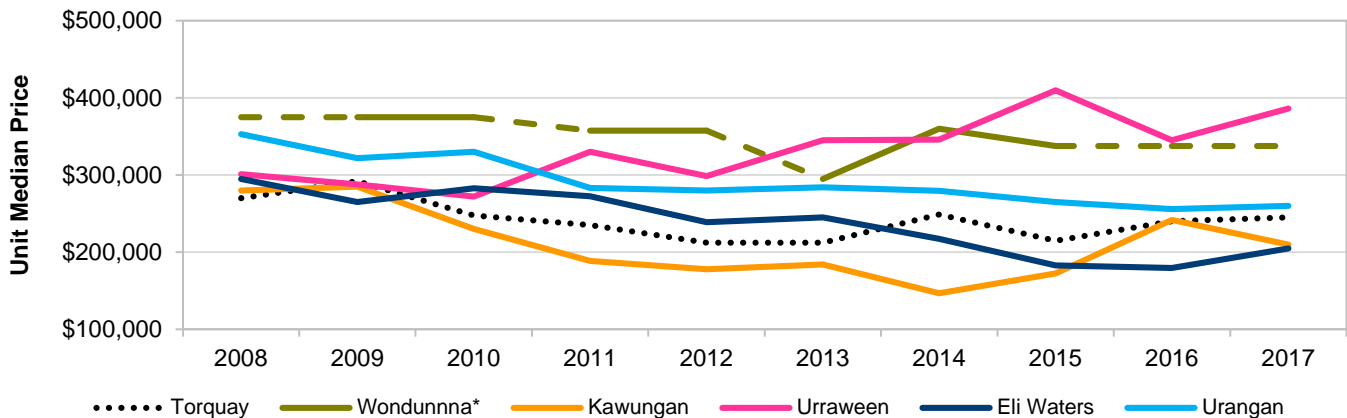
MARKET COMPARISON GRAPH

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 Torquay. The main suburb is highlighted through a dotted black line graph.

HOUSE MARKET COMPARISON

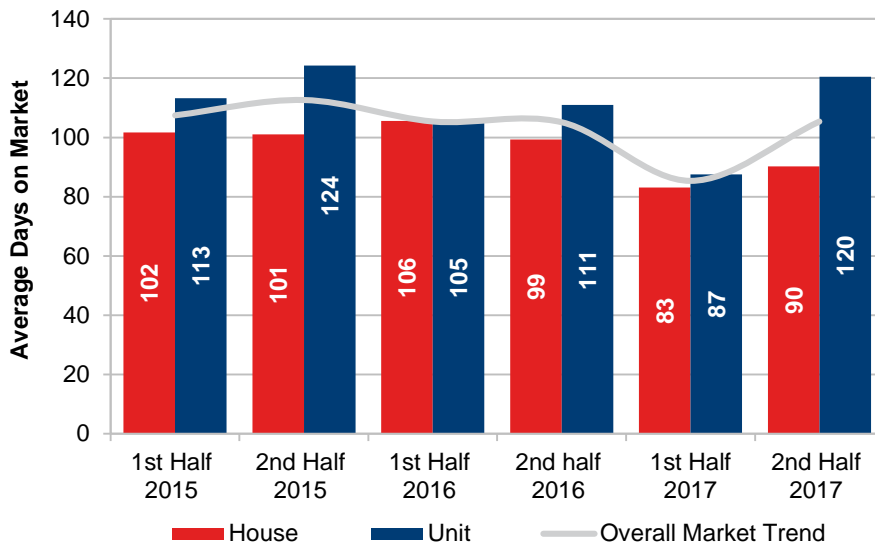


UNIT MARKET COMPARISON



*Dashed line in median price graph is due to limited or no sales for the particular period, and is indicative only based on previously known trends.
Source: APM Pricerfinder. © Copyright PRDnationwide 2018.

AVERAGE DAYS ON MARKET**



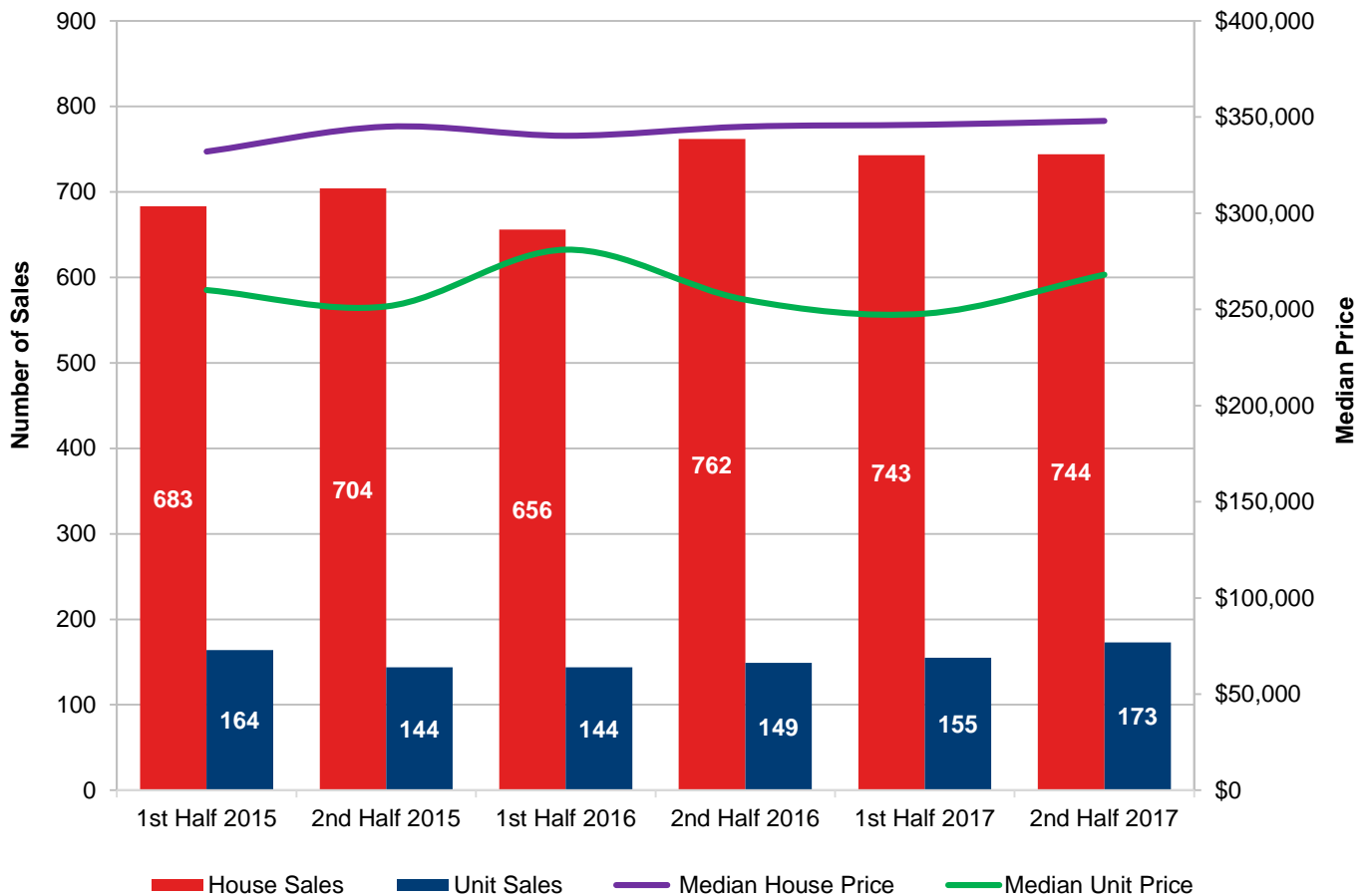
HOUSE KEY FACTS 2H 2017

Median Sale Price: \$348,000
 Annual Growth: 0.9%***
 Average Days on Market: 90
 % Change between First Listed Price and Sold Price: -5.2%

UNIT KEY FACTS 2H 2017

Median Sale Price: \$268,000
 Annual Growth: 5.1%***
 Average Days on Market: 120
 % Change between First Listed Price and Sold Price: -5.2%

SALES AND MEDIAN PRICE**

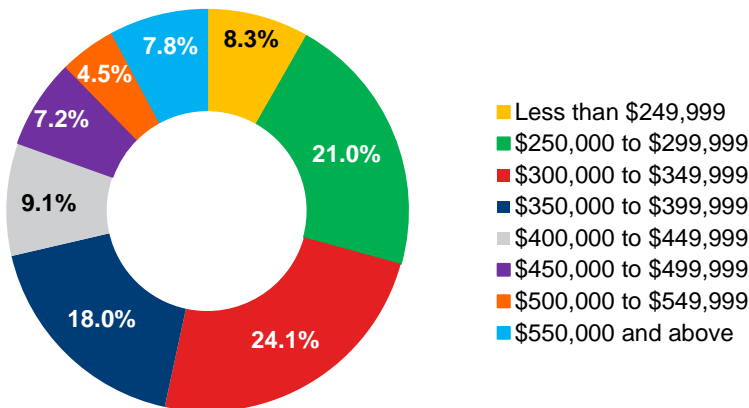


*Annual growth represents price growth for property transactions between the 2nd half of 2016 and the 2nd half of 2017.

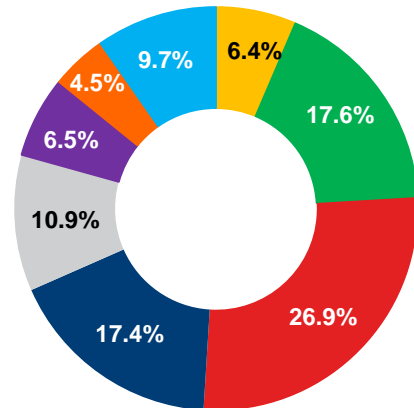
**Hervey Bay market data and key indicators encapsulates aggregate property market conditions in the following suburbs in postcode 4655.
 Source: APM Pricefinder, realestate.com.au, SQM Research. © Copyright PRDnationwide 2018.

SALES PRICE POINT COMPARATIVE ANALYSIS

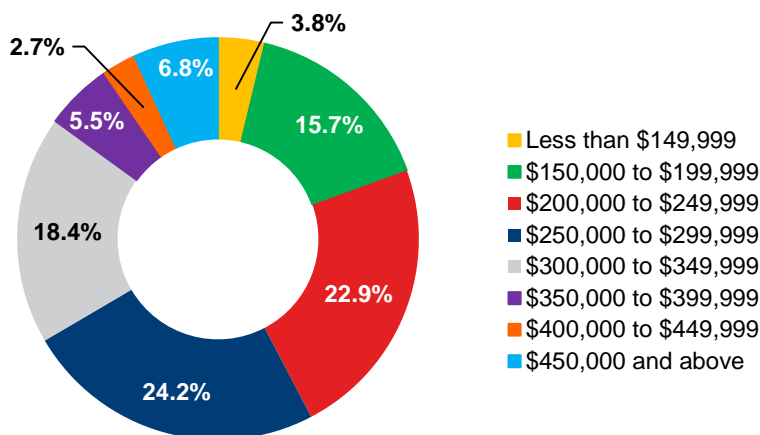
HOUSE PRICE POINT 2016



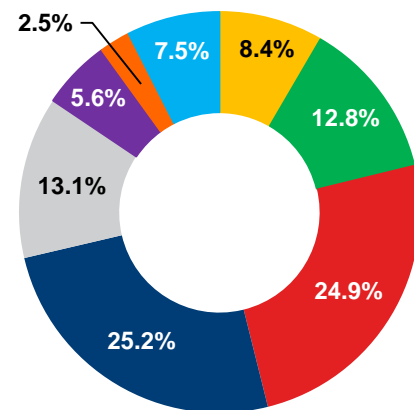
HOUSE PRICE POINT 2017



UNIT PRICE POINT 2016



UNIT PRICE POINT 2017



KEY IMPLICATIONS - HOUSE

The dominant proportion of houses being sold in Hervey Bay* in 2017 has remained within the \$300K-\$350K price segment (26.9%), representing a slight increase from 2016 (24.1%). There is a 5.3% decrease in the number of sales within the price ranges below \$300K - from 29.3% in 2016 to 24.0% in 2017. This signals a decline in the affordability within the market.

During 2017 house sales in price bracket higher than \$550K has increased from 7.8% to 9.7%, which suggests there is higher quality of stock entering the market. Further, the market for Hervey Bay* is shifting towards a more premium market. Now is the time buy before prices move beyond the reach of families and investors.

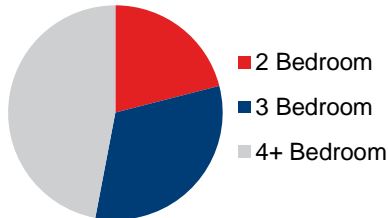
KEY IMPLICATIONS - UNIT

The proportion of units being sold in Hervey Bay* in 2017 is mostly within the \$250-\$300K price segment (25.2%). This price bracket was also the dominant bracket in 2016. Similarly, the second most dominant price segment (\$200K-\$250K) in 2016 has remained its position in 2017. Combined, this signals that there is stability of stock in those price brackets. This is a market for first home buyers to seek out attractive opportunities.

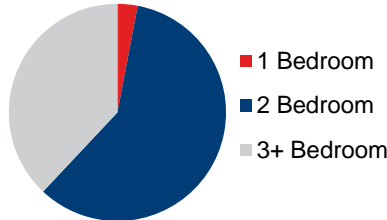
During 2017, the number of sales within the most affordable price range (less than \$150K) has more than doubled, from 3.8% to 8.4%. This suggests that there is still attractive opportunities for first home buyers looking for affordable options to enter the unit market.

INVESTMENT ANALYSIS

HOUSE



UNIT



HOUSE KEY FACTS 2H 2017

Median Rent Price: \$350 per week
 Rental Yield: 4.7%
 Average Days on Market: 30
 Bedroom Breakdown:
 2 Bed: 21%, 3 Bed: 32%, 4+ Bed: 47%

UNIT KEY FACTS 2H 2017

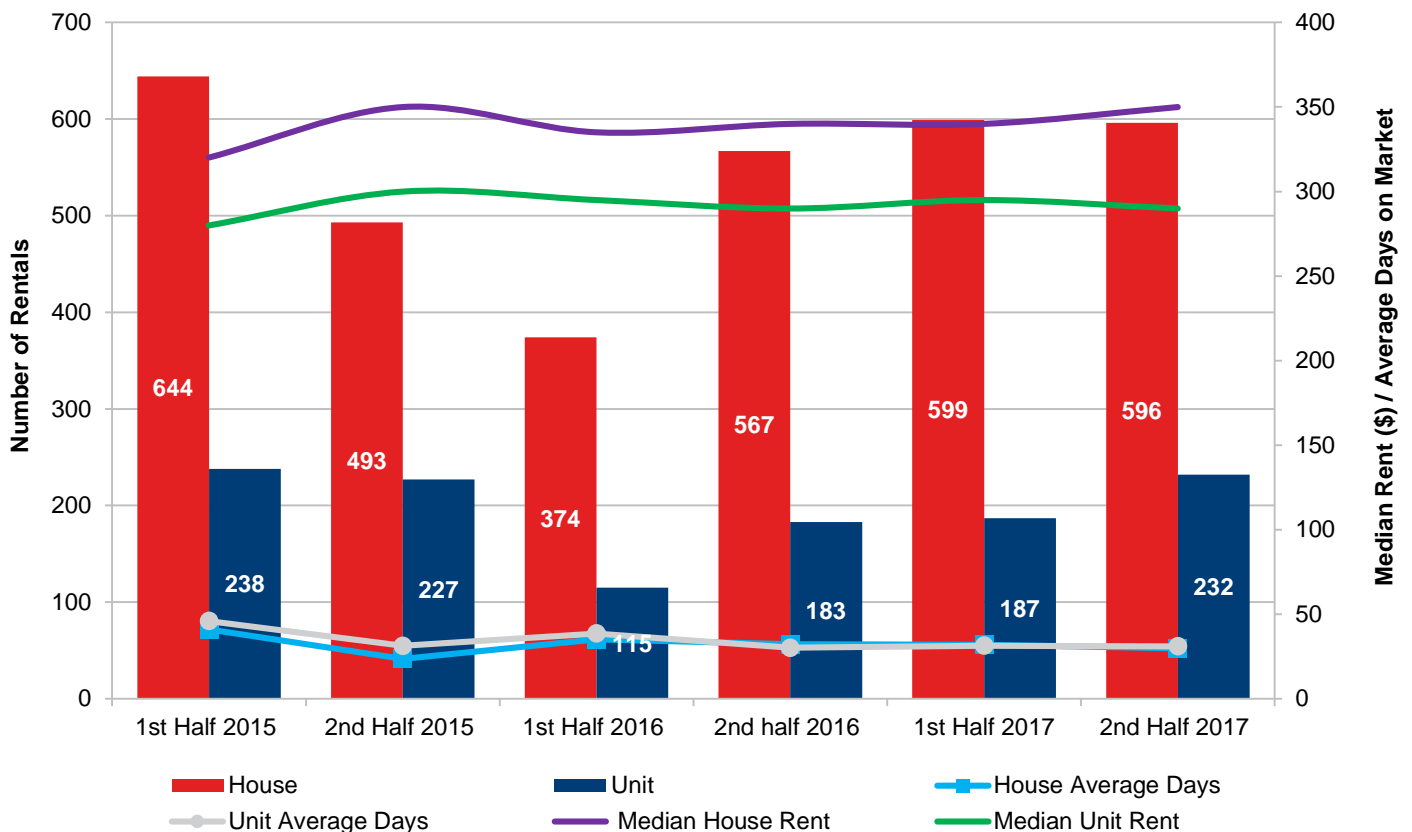
Median Rent Price: \$290 per week
 Rental Yield: 5.7%
 Average Days on Market: 31
 Bedroom Breakdown:
 1 Bed: 3%, 2 Bed: 59%, 3+ Bed: 38%

KEY COMMENTS

Interest in Hervey Bay* has been recorded at an average of 256 online visits per property. Rental demand is particularly strong in Hervey Bay*, with stock on the market increasing by 5.1% (house) and 26.8% (unit) between the 2nd half 2017 and the year prior. At the same time, there is an increase in rental prices for house (2.9%), while remaining stable for unit (0.0%). This signals that increased rental stock supply is easily absorbed by demand and gives investors assurance that returns are likely to continue to be profitable. Now is the time for investors to consider divesting their portfolio into this affordable market.

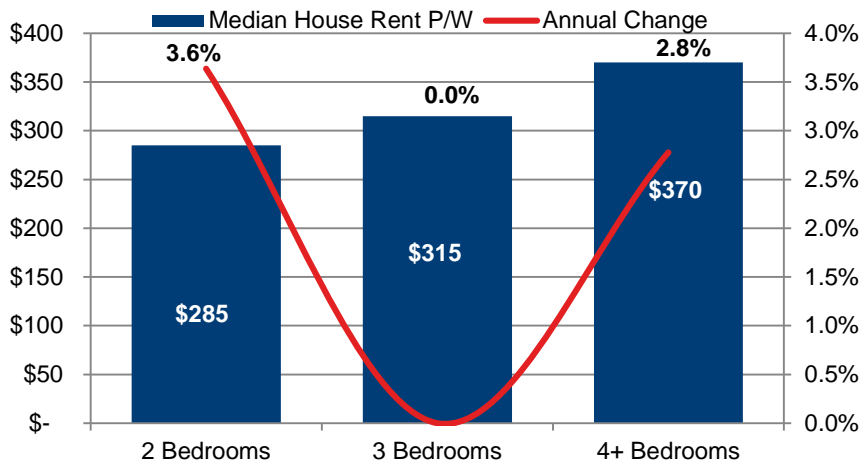


MEDIAN RENT AND AVERAGE DAYS ON MARKET*



*Disclaimer: Hervey Bay market data and key indicators encapsulates aggregate property market conditions in the following suburbs in postcode 4655. Source: APM Pricfinder, realestate.com.au, SQM Research. © Copyright PRDnationwide 2018.

RENTAL PERFORMANCE 2017*



KEY COMMENTS

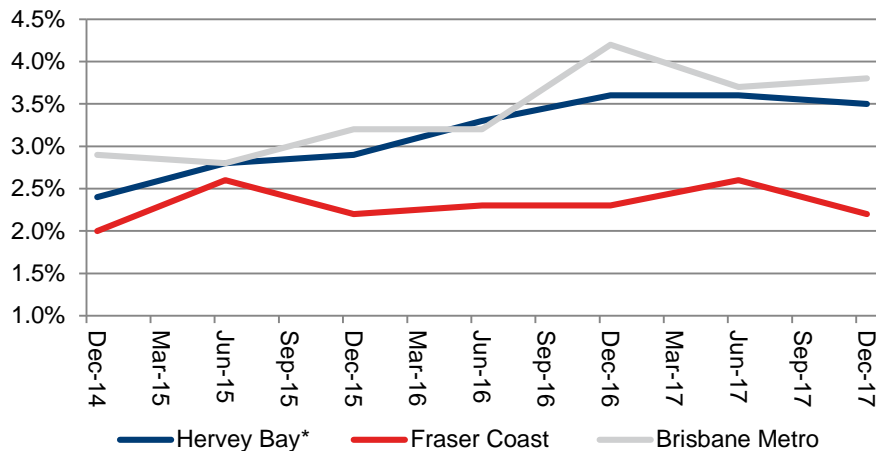
Rental returns are particularly strong in Hervey Bay* – 4.7% (house) and 5.7% (unit). This is above that of both suburbs in the surrounding Fraser Coast LGA (4.4% and 5.3%) and Brisbane Metro (3.8% and 5.0%).

2 bedroom houses provide the highest annual rental growth at 3.6%, which was \$285 per week in 2017.

Vacancy rate in December 2017 for Hervey Bay* (3.5%) is above Fraser Coast LGA (2.2%), however lower than Brisbane Metro (3.8%).

Furthermore vacancy rate in Hervey Bay* is trending down, as opposed to Brisbane Metro's upward trend, indicating a healthier rental demand and more viable investment market.

VACANCY RATES 2017



RENTAL YIELD 2017

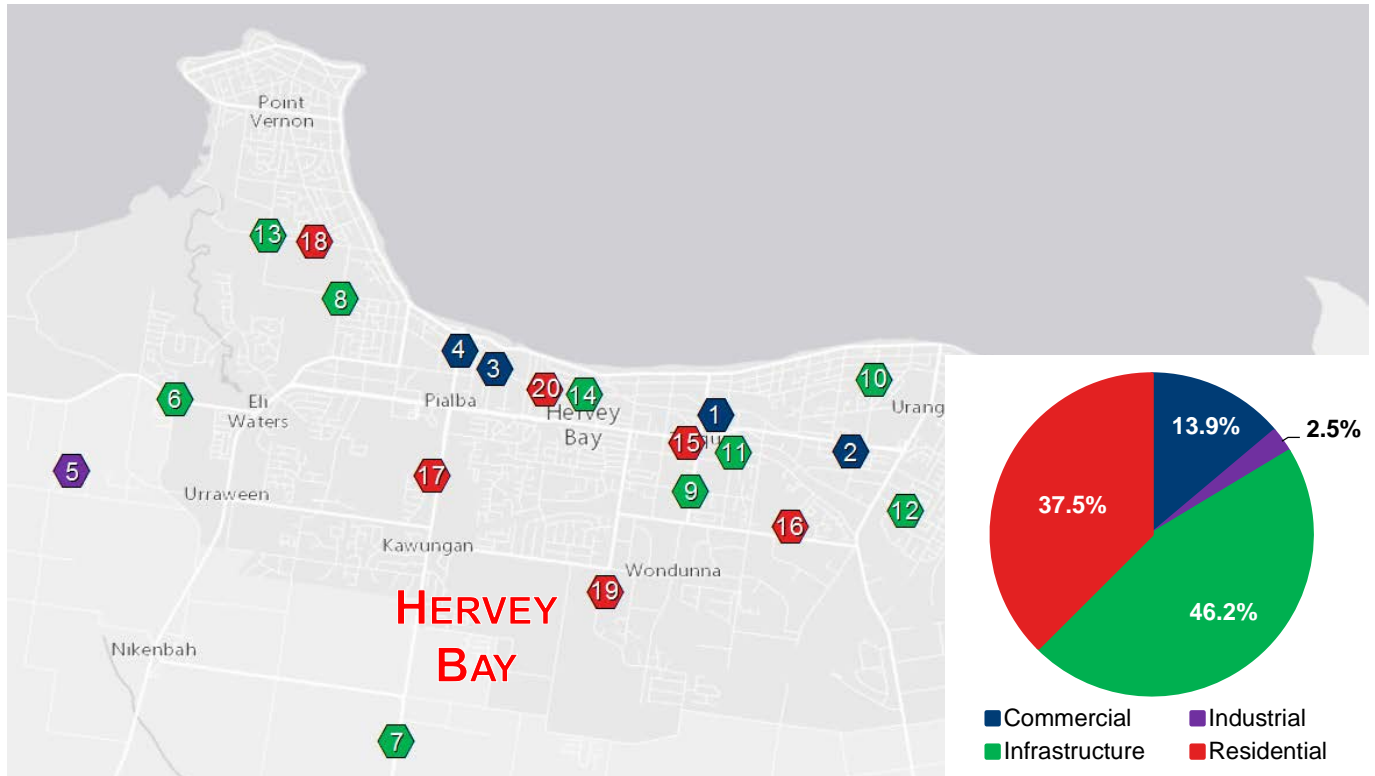
Suburb/Postcode/LGA	House Rental Yield	Unit Rental Yield
Hervey Bay*	4.7%	5.7%
Fraser Coast Regional LGA	4.4%	5.3%
Brisbane Metro	3.8%	5.0%

KEY HOUSING DEMOGRAPHICS

	Hervey Bay*	Fraser Coast Regional LGA	Queensland
Median weekly household income	\$914	\$906	\$1,402
Median monthly mortgage repayments	\$1,500	\$1,300	\$1,733
Unemployed	11.8%	12.0%	7.6%
Professionals	18.7%	16.0%	19.8%
Owned outright	39.8%	40.7%	28.5%
Owned with mortgage	23.8%	26.4%	33.7%
Rented	31.4%	28.5%	34.2%

*Rental performance graph represents aggregate house median rent prices in the following suburbs in postcode 4655. Annual change is a comparison between 2016 and 2017 median rent figures. Source: APM Pricerfinder, SQM Research, ABS Census 2016. © Copyright PRDnationwide 2018.

PROJECT DEVELOPMENT MAP 1st HALF 2018*



Location	Project**	Type	Estimated Value***	Commence Date****
1	Urangan & Bideford Streets Commercial Development	Commercial	\$4,000,000	27/06/2018
2	Urangan Medical Centre	Commercial	\$750,000	04/04/2018
3	Bay Plaza Shopping Centre Car Park Rehabilitation Phase 1 & 2	Commercial	\$500,000	27/01/2018
4	Hervey Bay RSL Club	Commercial	\$300,000	04/06/2018
5	Industrial Avenue Industrial Building Stages 1-2	Industrial	\$1,000,000	27/04/2018
6	Pialba - Burrum Heads Road/Scrub Hill Road/Wide Bay Drive	Infrastructure	\$13,600,000	29/01/2018
7	Main Street Roadworks	Infrastructure	\$1,143,000	12/02/2018
8	Tooth Street	Infrastructure	\$1,113,000	19/02/2018
9	Bideford & Colyton Streets Intersection	Infrastructure	\$600,000	04/06/2018
10	Margaret Street Footpath	Infrastructure	\$500,000	02/04/2018
11	Urangan Operations Base Pontoon	Infrastructure	\$414,000	22/01/2018
12	Aimee Drive Roadworks	Infrastructure	\$400,000	21/05/2018
13	Martin Street Footpath Works	Infrastructure	\$400,000	11/03/2018
14	Hervey Bay Esplanade Pathway	Infrastructure	\$300,000	04/06/2018
15	Esplanade Development Site (10 units)	Residential	\$5,000,000	14/05/2018
16	Boundary Road Residential Subdivision Stages 1-5 (94 lots)	Residential	\$4,200,000	11/06/2018
17	Main Street Residential & Commercial Subdivision (46 lots)	Residential	\$2,200,000	21/05/2018
18	Martin Street Residential Subdivision Stages 1-2 (37 lots)	Residential	\$1,700,000	02/04/2018
19	Gilston Road Residential Subdivision Stages 1 & 2 (21 lots)	Residential	\$1,000,000	05/06/2018
20	Torquay Road Units (6 units)	Residential	\$900,000	19/02/2018

*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 Torquay, Urangan, Pialba, Dundowran, Hervey Bay, Nikenbah, Point Vernon, Urraween, Wondunna, Scarness.

***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. © 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.



With over 26 years' experience and owning his own real estate business since 1998, Jim specialises in residential sales. Jim's passion and enthusiasm have seen him dedicate only the best in services and results by identifying what his client's needs are and advising them on how best to achieve them.

PRDnationwide Hervey Bay's hand selected team is dedicated to making buying or selling a positive experience for all parties involved. The team strives to provide client's across the Hervey Bay region with sales and property marketing services that are realistic, cost effective and that produce results. We endeavour to provide every customer with exclusive and personal service to achieve desired outcomes throughout every transaction.

Jim McKay
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