



**Hervey Bay Area
Property Factsheet
2nd Half 2018**





MARKET CONDITIONS***

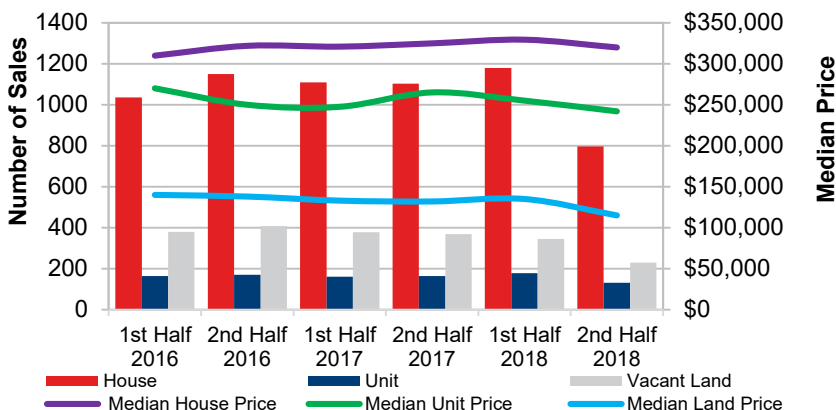
The Hervey Bay* property market recorded a median house price of \$375,000 and \$267,000 for units in the 2nd Half of 2018. This represents an annual (2018 Financial Year) price strengthening of 7.8% for houses and a softening of -0.4% for units. Houses have significantly increased in value whereas units have become more affordable.

Annual median prices have slightly softened in the Fraser Coast Regional Local Government Area (LGA), by -2.0% to \$320,000 for houses and by -9.0% to \$242,000 for units. When compared to the LGA, houses and units in the Hervey Bay* market reflect premium median sale prices and higher capital growth potential. The property market in Hervey Bay* has proven to be more resilient (in terms of price growth) compared to the wider LGA. This provides great investment opportunities for buyers.

Average vendor discounting continues to favour sellers in the Hervey Bay* area, with the average vendor discount for houses tightening from -5.2% in 2nd Half 2017 to -4.9% in 2nd Half 2018. The unit market is displaying similar patterns, with the average vendor discount also tightening from -5.2% in 2nd Half 2017 to -4.9% in 2nd Half 2018. This suggests that there is high negotiation activity between sellers and buyers, reflective of a balanced market.

Median house rental prices in Hervey Bay* have been stable over the past 12 months to 2nd Half 2018, at \$350 per week. Over the same period of time median unit rental prices have strengthened, by 3.0% to \$300 per week. Investors are assured of quick rental uptake in the current market, with the low vacancy rates of 2.5% in June 2018. They can also benefit from significant rental yields of 4.8% for house and 5.6% for units respectively.

FRASER COAST REGIONAL GROWTH



OVERVIEW

Hervey Bay is a coastal city in the Fraser Coast Region of Queensland, approx. 290kms or 3.5hrs drive north of Brisbane. It is the gateway to World Heritage Listed Fraser Island, the largest sand island in the world, with convenient barge access across the Great Sandy Strait. According to ABS Census 2016 11.0% of private dwellings were unoccupied, which was a slight decrease compared to the 12.0% reported in 2011. Further, the number of private dwellings grew by 9.3% during this time. This signals there are improved conditions for investment.

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

FUTURE DEVELOPMENTS**

In the 2nd Half of 2018 Hervey Bay* is set to see approx. \$68.2M** of new projects ready to make a positive impact on the real estate market. Commercial projects accounted for majority of value (\$52.3M or 76.7%). This is followed by residential (\$8.9M or 13.1%) and infrastructure (\$7.0M or 10.3%).

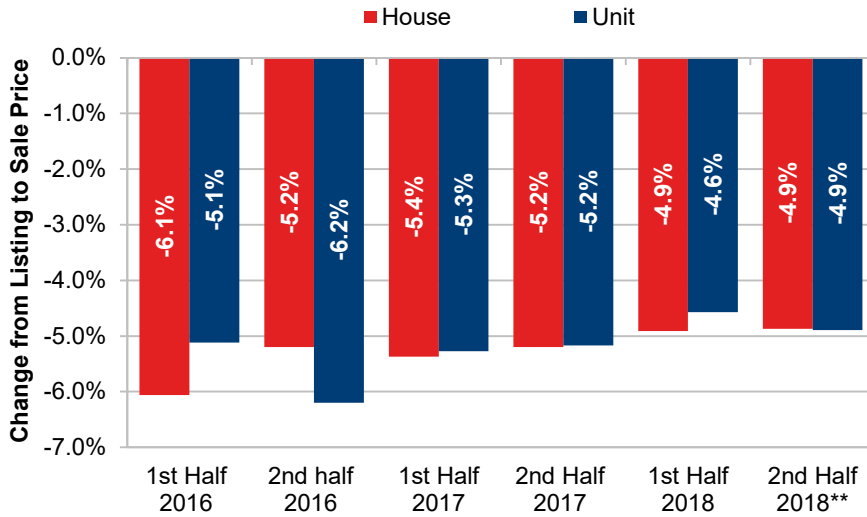
The main commercial project commencing in Hervey Bay is the Bullamon Recreational Vehicle Residential Park (\$25.0M) and the Anchorage Urangan (\$15.0M). These projects will attract new demographics into the area and create local jobs, resulting in spill-over benefits to the property market.

A total of 32 units and 86 Lots are planned for Hervey Bay* in the 2nd half 2018. Examples of residential projects include: Torquay Terrace & Bideford Street Units (\$5.0M, 32 units), Sempfs Road Residential Subdivision (\$2.2M, 49 lots), and Martin St Residential Subdivision (\$1.7M, 37 lots).

A key infrastructure project for the 2nd half of 2018 is the upgrade to Hervey Bay Airport (\$2.9M). This project will make Hervey Bay more accessible as a place to do business and live, which will have a positive impact on the local economy in the long run.

*Hervey Bay data and key indicators represent market conditions in postcode 4655.
 **Estimated values are provided by the relevant data authority and does not reflect commercial and/or re-sale value.
 ***2nd half 2018 data captures sales between 01/07/2018 to 30/10/2018.
 Source: APM Pricerfinder, realestate.com.au. © Copyright PRDnationwide 2018.

AVERAGE VENDOR DISCOUNT*



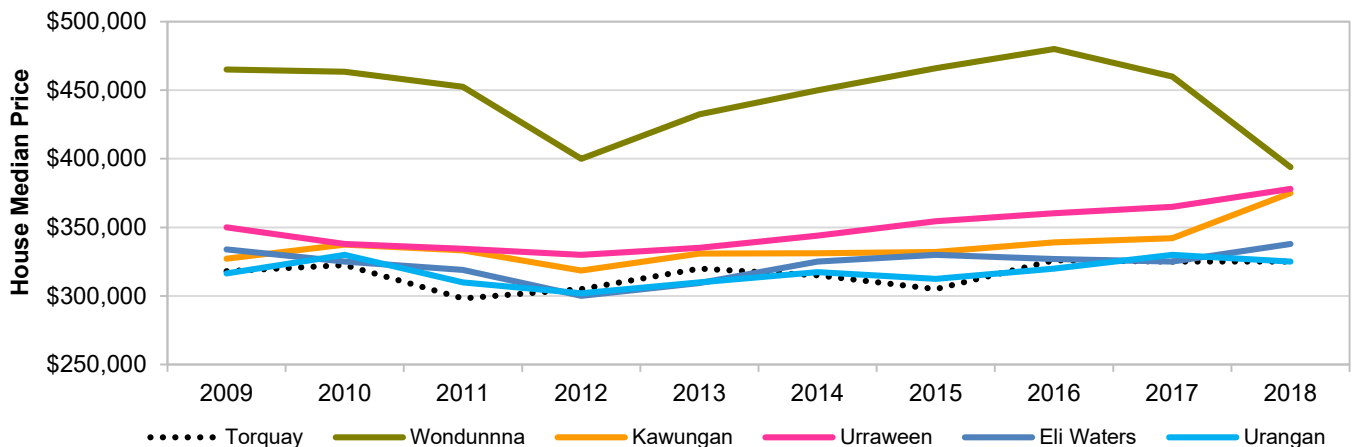
AVERAGE VENDOR DISCOUNT

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.

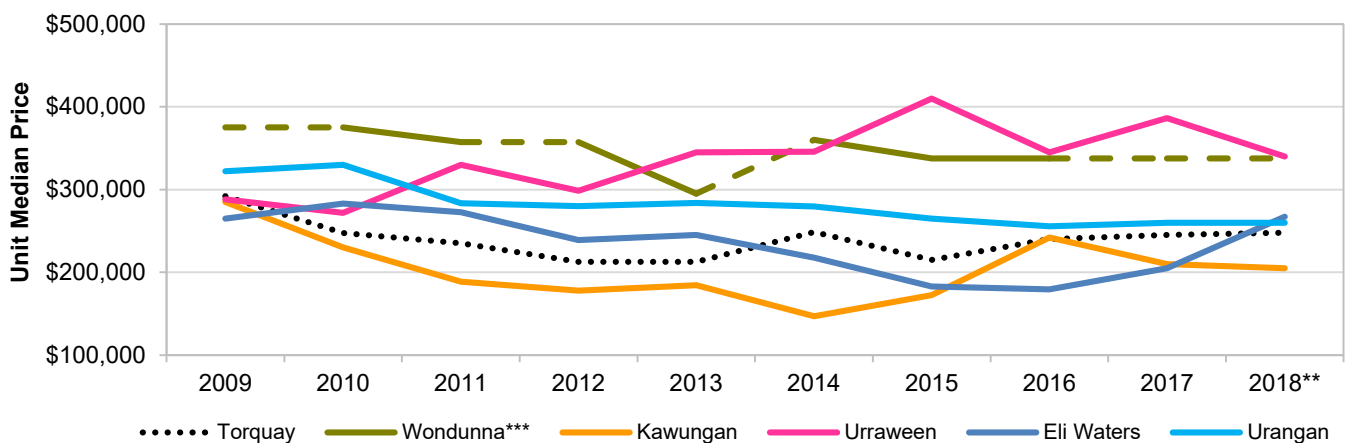
MARKET COMPARISON GRAPH

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



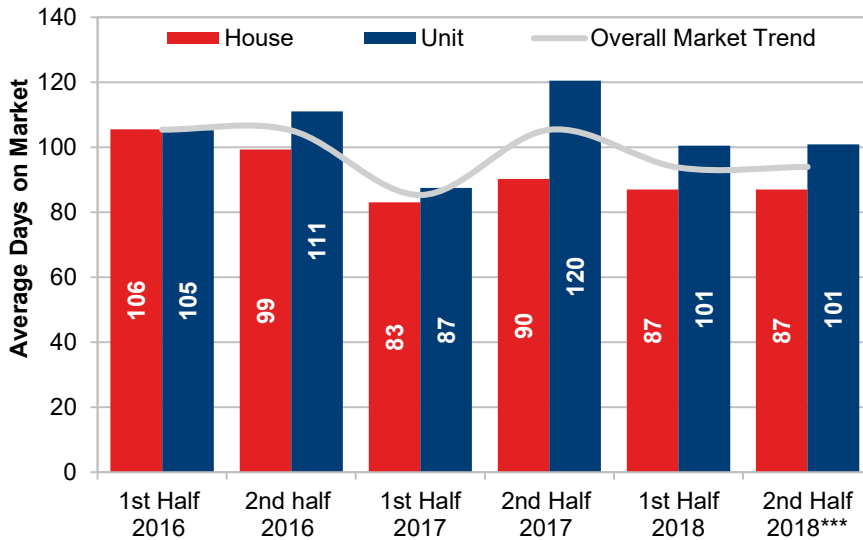
*Hervey Bay market data and key indicators encapsulates aggregate property market conditions in the following suburbs in postcode 4655.

**2018 data is representative of sales up to and inclusive of 30th September 2018, or end of Q3 2018. 2nd half 2018 data captures sales between 01/07/2018 to 30/10/2018.

***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**



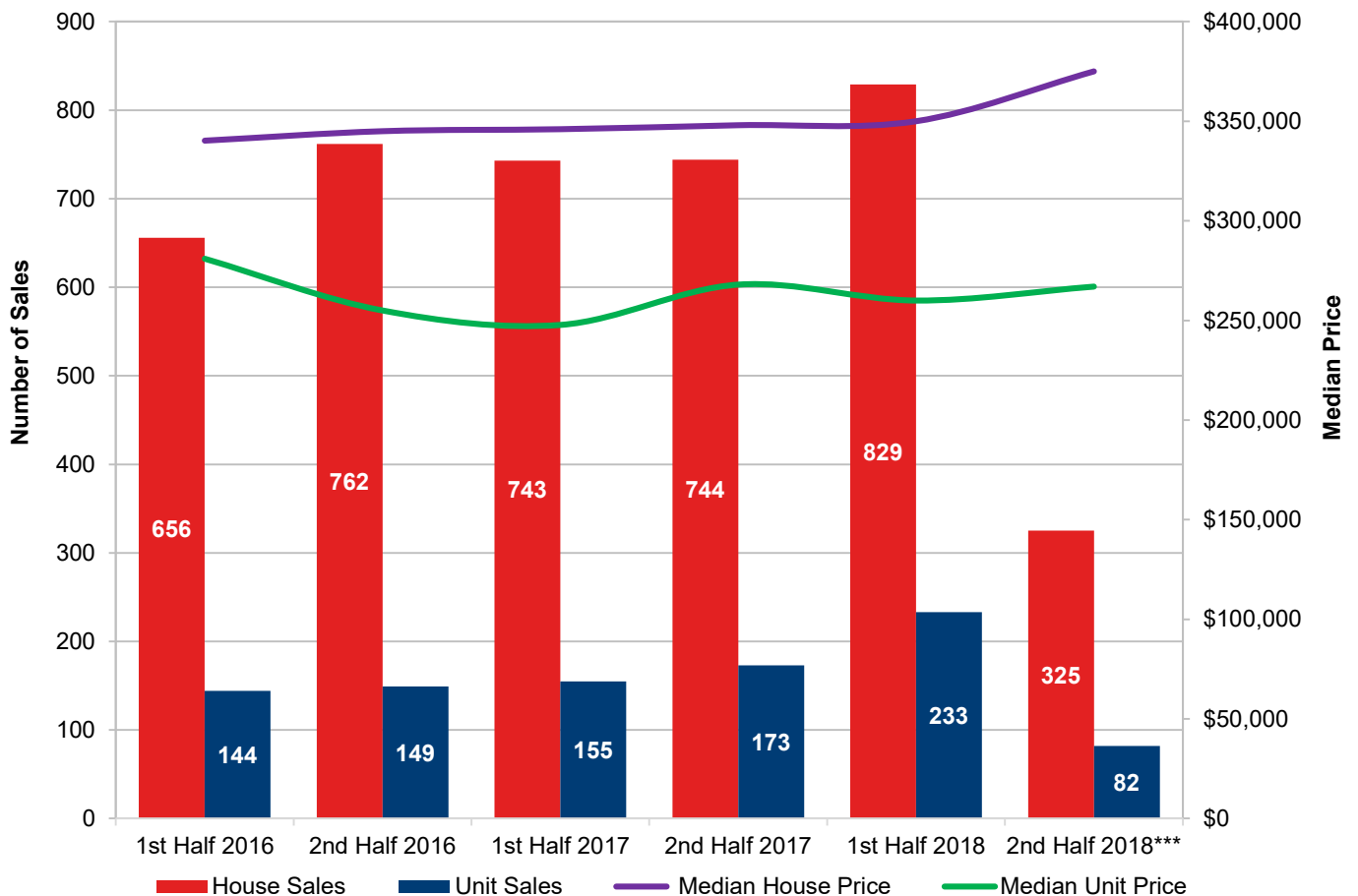
HOUSE KEY FACTS 2H 2018

Median Sale Price: \$375,000
 Annual Growth: 7.8%***
 Average Days on Market: 87
 % Change between First Listed Price and Sold Price: -4.9%

UNIT KEY FACTS 2H 2018

Median Sale Price: \$267,000
 Annual Growth: -0.4%***
 Average Days on Market: 101
 % Change between First Listed Price and Sold Price: -4.9%

SALES AND MEDIAN PRICE**



*Annual growth represents price growth for property transactions between the 2nd half of 2017 and the 2nd half of 2018.

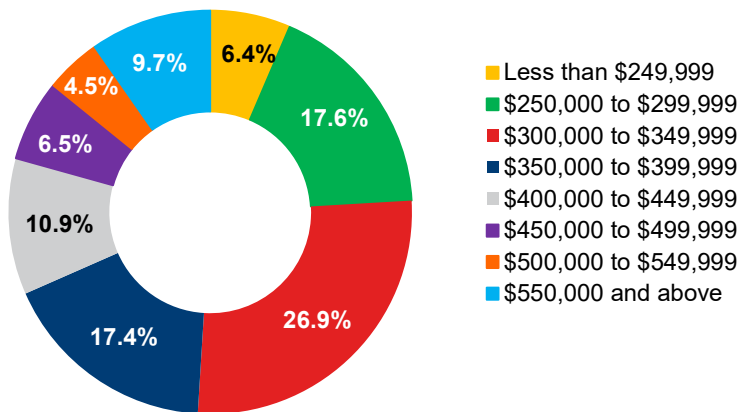
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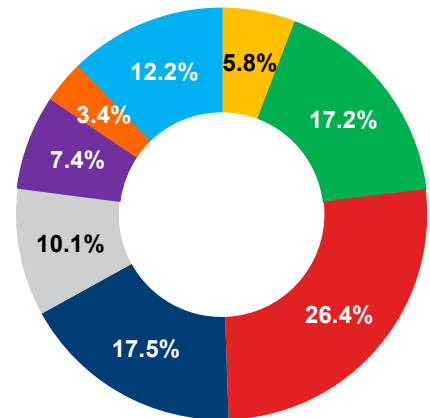
Source: APM Pricerfinder, realestate.com.au, SQM Research. © Copyright PRDnationwide 2018.

SALES PRICE POINT COMPARATIVE ANALYSIS*

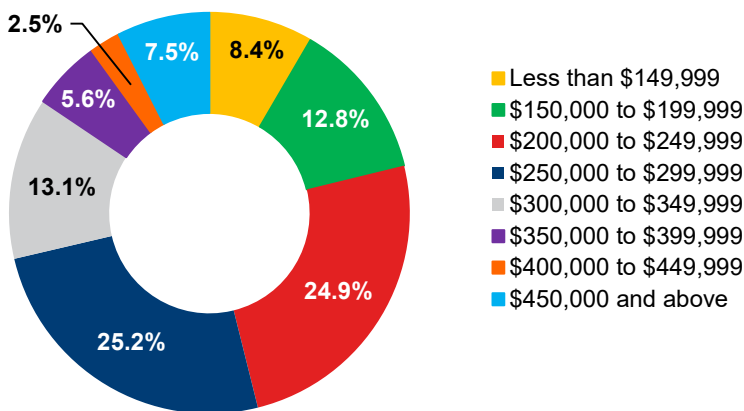
HOUSE PRICE POINT 2017



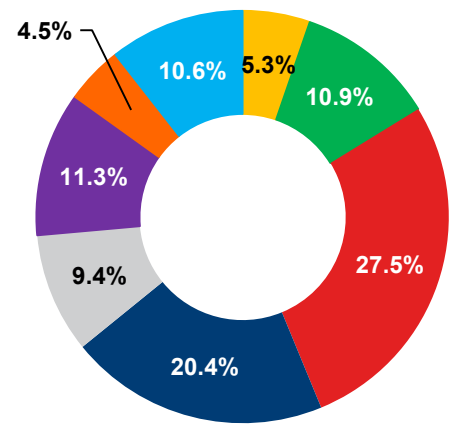
HOUSE PRICE POINT 2018



UNIT PRICE POINT 2017



UNIT PRICE POINT 2018



KEY IMPLICATIONS - HOUSE

The price point structure of Hervey Bay's* housing market has remained relatively stable between 2017-2018*, with minor adjustments in each price bracket.

The highest proportion of houses sold in Hervey Bay* in 2018 remained in the \$300K- \$349K bracket, at 26.4%. This is at a similar proportion compared to 2017 (26.9%). Price bracket \$350K- \$399K has also remained stable, at 17.5% of sales in 2018. These figures represent a stronger mid-point price market. The upper price bracket of \$550K+ has strengthened in sales activity, from 9.7% in 2017 to 12.2% in 2018. This is reflective of the upward trend in median house prices in the 2nd half 2018. Buyers looking for affordable options need to act fast.

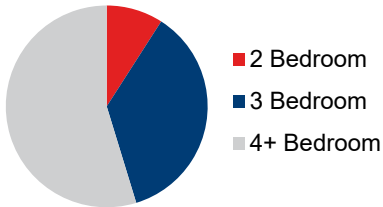
KEY IMPLICATIONS - UNIT

The price point structure of Hervey Bay's* unit market has experienced some fluctuating movements between 2017-2018*. The largest proportion of unit sales activity can still be found within the \$200K-\$249K price bracket, however this has increased from 24.9% of total sales in 2017 to 27.5% of total sales in 2018*.

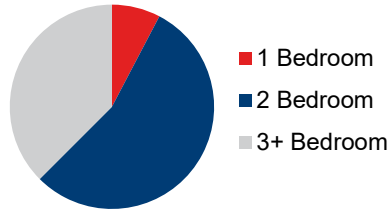
The upper price bracket of \$450K and above has also strengthened in sales activity, from 7.5% in 2017 to 10.6% in 2018. The lower end of less than \$149K has decreased in activity, from 8.4% in 2017 to 5.3% in 2018. These figures suggest there are ample opportunities for different budgets, however the more affordable options are starting to decline.

INVESTMENT ANALYSIS

HOUSE



UNIT



HOUSE KEY FACTS 2H 2018

Median Rent Price: \$350 per week
 Rental Yield: 4.8%
 Average Days on Market: 20
 Bedroom Breakdown:
 2 Bed: 9%, 3 Bed: 36%, 4+ Bed: 55%

UNIT KEY FACTS 2H 2018

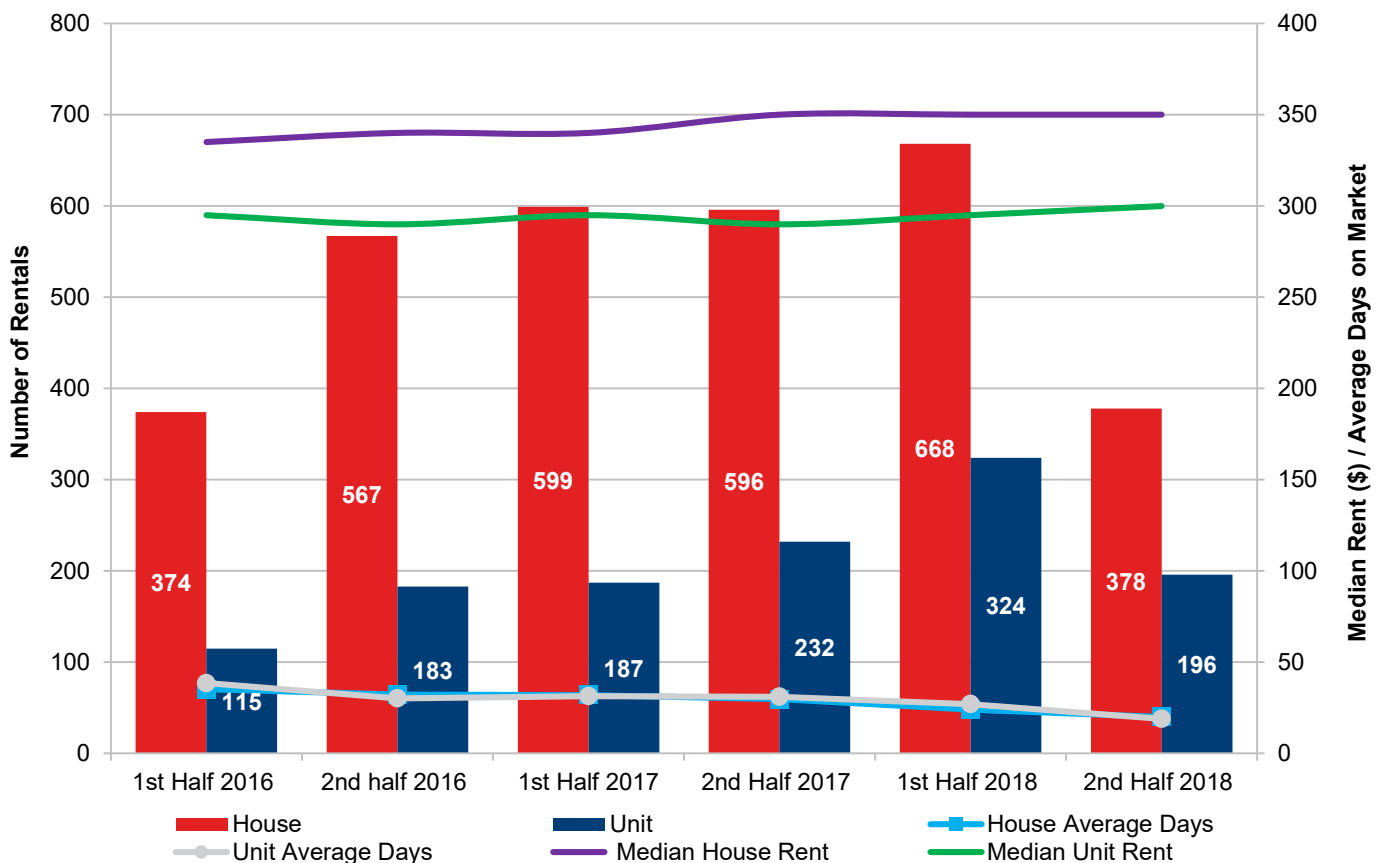
Median Rent Price: \$300 per week
 Rental Yield: 5.6%
 Average Days on Market: 19
 Bedroom Breakdown:
 1 Bed: 8%, 2 Bed: 55%, 3+ Bed: 37%

KEY COMMENTS

Rental demand for houses and units in Hervey Bay* have softened over the past 12 months to 2nd Half 2018, by -37.0% for house and -16.0% for units. During this time frame median rent prices increased by 3.0% for units but was stable for houses at 0.0%. This suggests that there may be an undersupply in the rental market, particularly in the unit market. Furthermore both houses and units have low average days on the market (20 and 19 days respectively), which suggests that rental properties are in high demand and can be occupied relatively quickly. Now is the time for investors to enter the market.

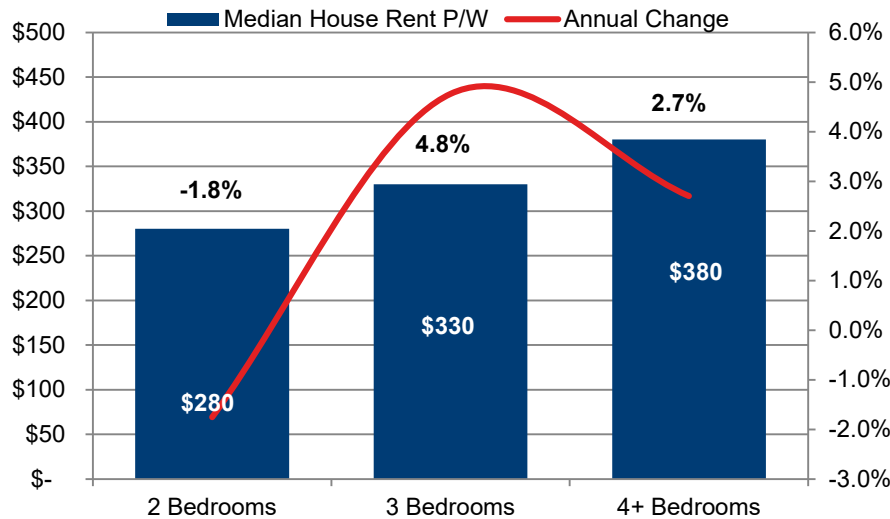


MEDIAN RENT AND AVERAGE DAYS ON MARKET*



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

RENTAL PERFORMANCE 2018*



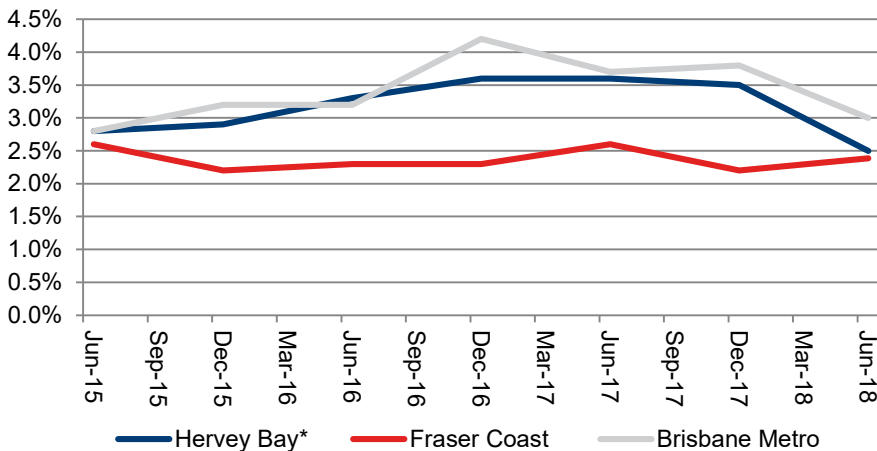
KEY COMMENTS

Rental yield for houses in Hervey Bay* (4.8%) is above that of Fraser Coast LGA (4.6%), and outpaced that of Brisbane Metro (3.8%). This gives investors an affordable alternate investment option.

3 bedroom houses provided the highest annual rental growth, at 4.8%.

Vacancy rates in June 2018 for Hervey Bay* (2.5%) is on par to Fraser Coast LGA (2.4%), however well below that of Brisbane Metro (3.0%). Furthermore vacancy rates 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 2018



RENTAL YIELD 2018

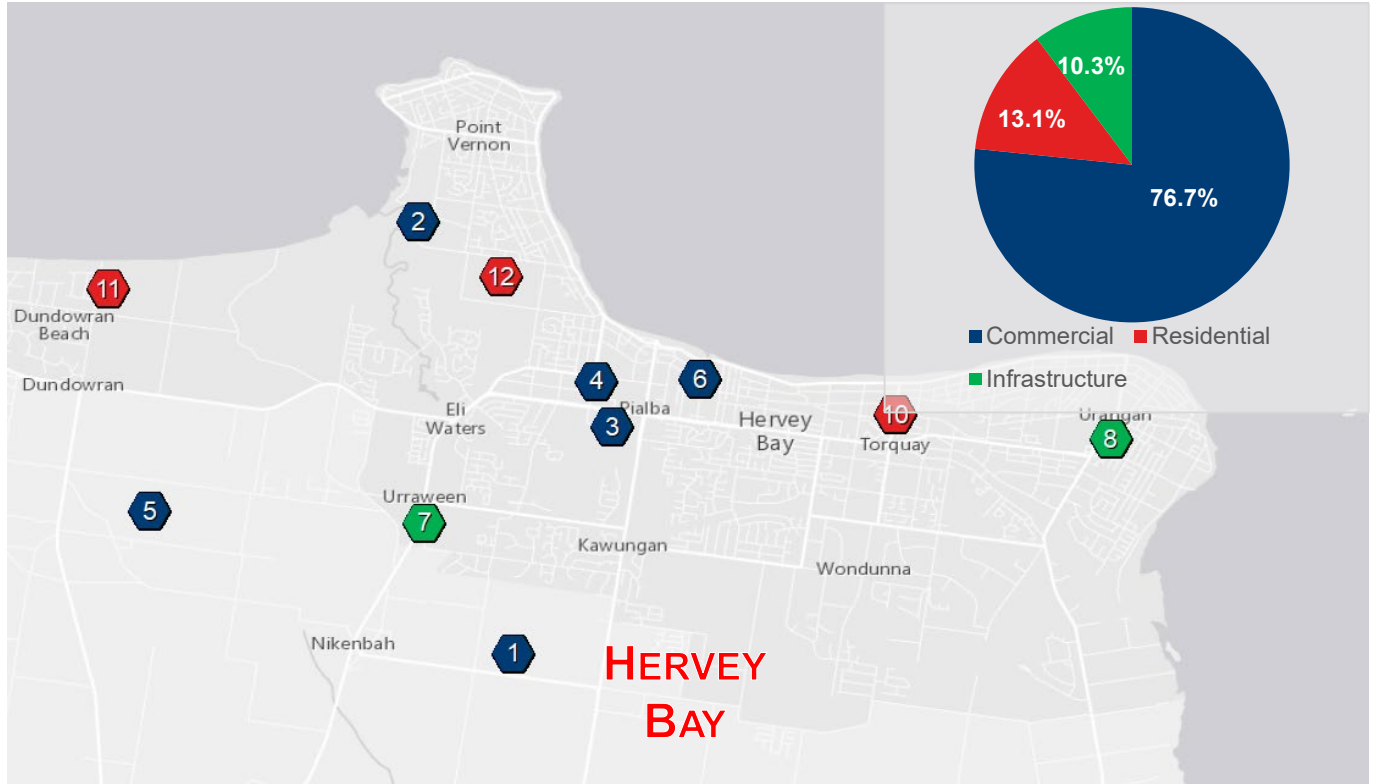
Suburb/Postcode/LGA	House Rental Yield	Unit Rental Yield
Hervey Bay*	4.8%	5.6%
Fraser Coast Regional LGA	4.6%	5.3%
Brisbane Metro	3.8%	5.0%

KEY HOUSING DEMOGRAPHICS

	Hervey Bay*	Fraser Coast Regional LGA	Queensland
Median weekly rent	\$290	\$265	\$330
Family households	14,079	27,099	1,189,859
Single or lone person households	5,504	10,476	389,076
Worked full time	9,149	18,000	1,333,193
Worked part time	6,578	12,327	691,751
Occupied private dwellings	20,333	38,991	1,656,828
Unoccupied private dwellings	2,419	5,027	195,570

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

PROJECT DEVELOPMENT MAP 2nd HALF 2018*



Location	Project**	Type	Estimated Value***	Commence Date****
1	Bullamon Recreational Vehicle Residential Park	Commercial	\$25,000,000	08/10/2018
2	The Anchorage Urangan	Commercial	\$15,000,000	12/11/2018
3	Stockland Hervey Bay Shopping Centre Office Building & Cinema Complex	Commercial	\$8,000,000	18/09/2018
4	Old Maryborough Road Service Station	Commercial	\$2,000,000	04/10/2018
5	Fraser Coast Free Range Chicken Farm Sheds	Commercial	\$2,000,000	03/10/2018
6	Torquay Road Commercial Development	Commercial	\$300,000	09/11/2018
7	Hervey Bay Ambulance Station	Infrastructure	\$3,500,000	03/12/2018
8	Hervey Bay Airport	Infrastructure	\$2,900,000	16/07/2018
Not Mapped	Bideford & Colyton Streets Intersection	Infrastructure	\$600,000	06/08/2018
10	Torquay Terrace & Bideford Street Units Stages 1-2 (32 Units)	Residential	\$5,000,000	09/11/2018
11	Sempfs Road Residential Subdivision (49 lots)	Residential	\$2,205,000	19/11/2018
12	Martin Street Residential Subdivision Stages 1-2 (37 lots)	Residential	\$1,700,000	31/08/2018

*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 nearly 30 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 clients' 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 clients 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.

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Principal

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