



Port Stephens
Property Factsheet
2nd Half 2018





MARKET CONDITIONS

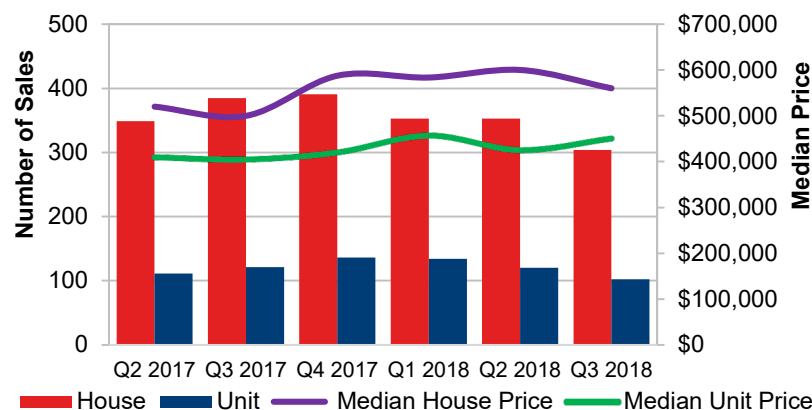
The Port Stephens* property market recorded a median house price of \$671,000 and \$470,000 for units in Q3 2018, which represents an annual (Q3 2017-Q3 2018) price growth of 10.0% and 14.1% respectively. Compared to the *Port Stephens* 1st half 2018 Research Factsheet*, which reported an annual (Q1 2017 – Q1 2018) median price growth of 2.7% (house) and 6.4% (units), the property market in Port Stephens* have strengthened.

Sydney Metro median house price was \$1,295,500 for house and \$737,000 for units, as at June 2018. Port Stephens* has a more affordable entry price compared to Sydney Metro and contrasting positive growth, as the Sydney Metro market experienced a slight cooling of -2.4% (house) and -1.4% (units). This confirms Port Stephens* as an ideal alternate location for investment.

Between Q3 2017-Q3 2018, median house prices in The Port Stephens Council Local Government Area (LGA) grew by 12.0% to \$560,000 and median unit prices grew by 11.1% to \$450,000. Port Stephens* is a premium market compared to the wider LGA, with comparable capital growth.

The Port Stephens* rental market continue to serve investors well, with median rent prices increasing by 2.3% for houses to \$450 per week and by 1.4% for units to \$360 per week. Furthermore, these price increases have occurred at a time where the number of properties rented have also increased, by 44.3% for houses and by 16.8% for units. Thus, there is a real increase in rental value in Port Stephens*, and not a rental price hike due to undersupply in stock. Rental yields in Port Stephens* were recorded at 3.7% (house) and 4.3% (units) in June 2018, much higher than Sydney Metro (2.7% house and 3.7% units).

PORT STEPHENS COUNCIL GROWTH



OVERVIEW

Port Stephens* is located in the Hunter Region of New South Wales, approx. 2.5hrs north of Sydney CBD. According to ABS Census 2016 population growth in Port Stephens* was 9.6% over the past 5 years, whilst private dwelling growth was only 7.7%. This suggests potentially an undersupplied market, and that there is room for further residential development.

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

FUTURE DEVELOPMENTS**

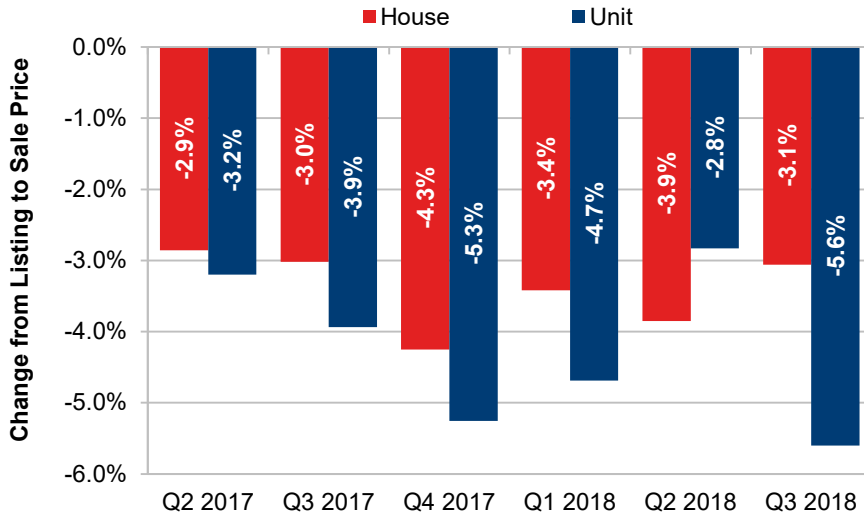
Port Stephens* is set to invest approx. \$58.9M of new developments scheduled to commence in the 2nd half of 2018. Commercial projects account for the majority (\$36.6M or 62.1%). This is followed by residential (\$16.6M or 28.2%), infrastructure (\$5.3M or 9.0%), and mixed-use (\$0.4M).

Focusing on commercial projects is a key strategy for Port Stephens* as it will increase economic activity and support local job creation, resulting in sustainable economic growth. A key project in the 2nd half of 2018 is The Pulse (\$18.0M). This project will involve the construction of a new entertainment precinct; offering a range of educational, commercial, community and retail uses.

Residential additions in Port Stephens* will comprise of 227 units, 18 subdivided lots, 6 dwellings and 4 townhouses. Examples of residential projects include: Donald Street Units (\$6.9M, 17 units), Bagnall Avenue Units (\$2.9M, 8 units), Kanangra Ave Townhouses (\$2.2M, 4 townhouses), and Soldier's Point Road Residential Subdivision (\$2.0M, 18 lots).

*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 Pricer, REIA © Copyright PRDNationwide 2018.

AVERAGE VENDOR DISCOUNT**



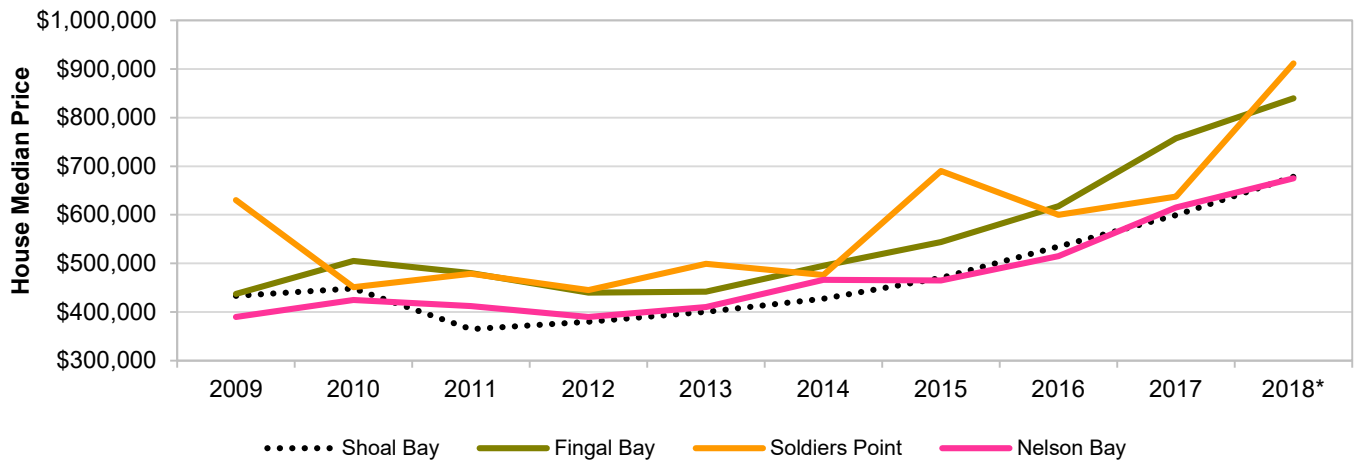
AVERAGE VENDOR DISCOUNT

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.

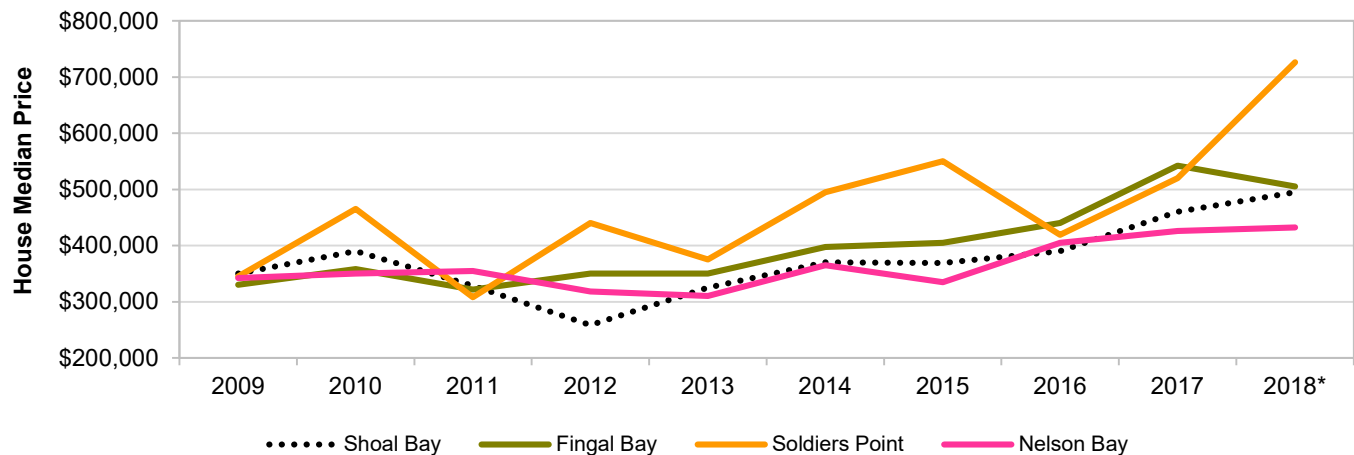
MARKET COMPARISON GRAPH

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

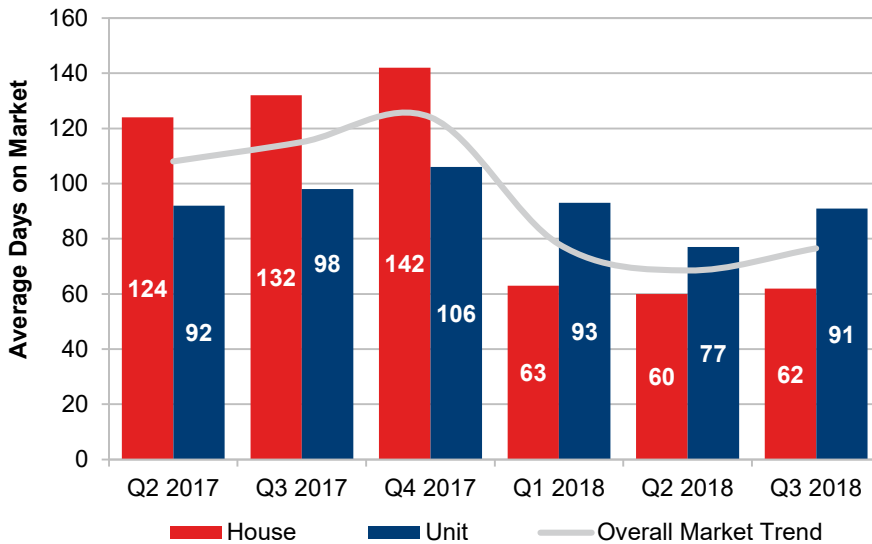


*2018 data is representative of sales up to and inclusive of 30th September 2018, or end of Q3 2018.

**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 Pricerfinder. © Copyright PRDnationwide 2018.

AVERAGE DAYS ON MARKET**



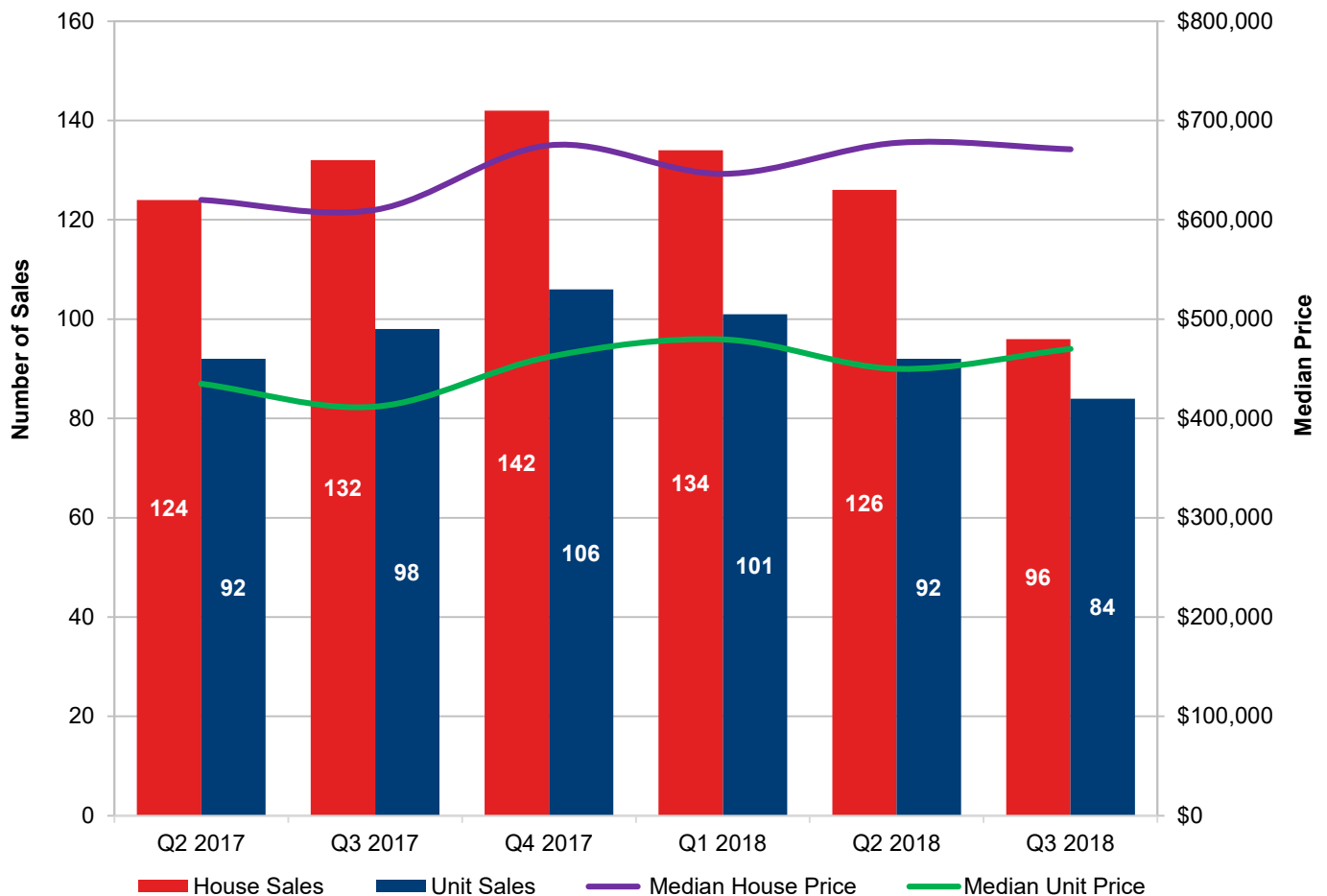
HOUSE KEY FACTS Q3 2018

Median Sale Price: \$671,000
 Annual Growth: 10.0%*
 Average Days on Market: 62
 % Change between First Listed Price and Sold Price: -3.1%

UNIT KEY FACTS Q3 2018

Median Sale Price: \$470,000
 Annual Growth: 14.1%*
 Average Days on Market: 91
 % Change between First Listed Price and Sold Price: -5.6%

SALES AND MEDIAN PRICE**



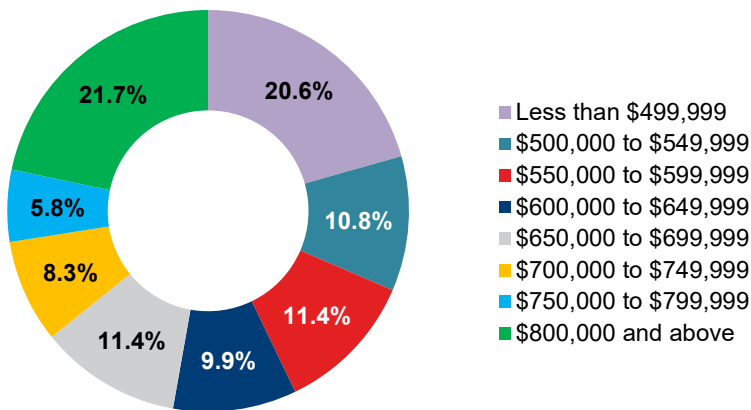
*Annual growth represents price growth for property transactions between Q3 2017 to Q3 2018 (inclusive).

**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.

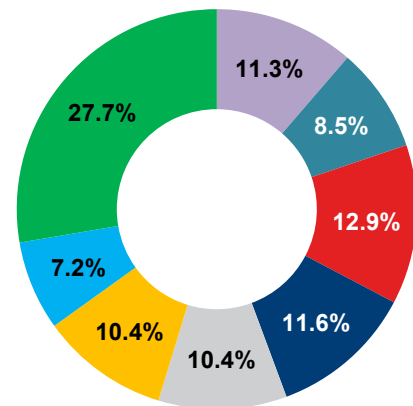
Source: APM Pricerfinder, realestate.com.au, SQM Research. © Copyright PRDnationwide 2018.

SALES PRICE POINT COMPARATIVE ANALYSIS*

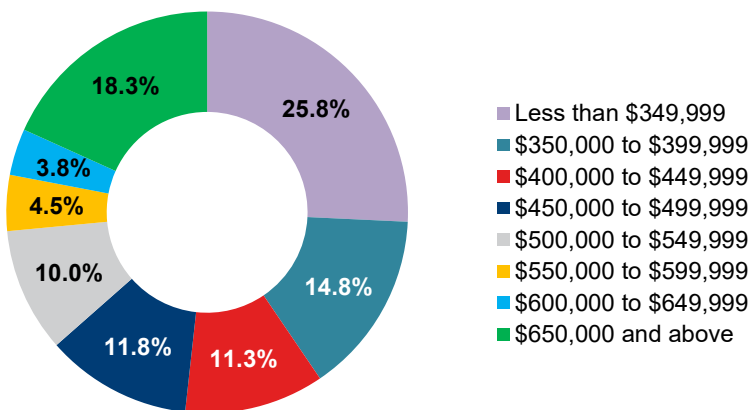
HOUSE PRICE POINT 2017



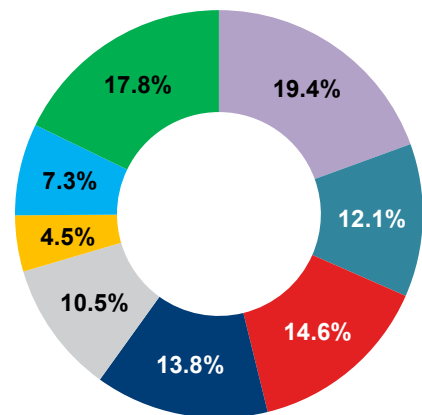
HOUSE PRICE POINT 2018



UNIT PRICE POINT 2017



UNIT PRICE POINT 2018



KEY IMPLICATIONS - HOUSE

The most dominant price point in Port Stephens'* house market remains within the upper \$800K and above bracket, increasing in total sales activity from 21.7% in 2017 to 27.7% in 2018*. This is in line with the reported 10.0% median price growth over the past 12 months to Q3 2018, further establishing Port Stephens* as a premium house market.

Sales activity in the mid-range price point have remained relatively stable between 2017-2018, suggesting that there is ample opportunity for different budgets. Those looking for affordable options of below \$500K need to act quickly, as although this price point still exists it declined from 20.6% in 2017 to 11.3% in 2018.

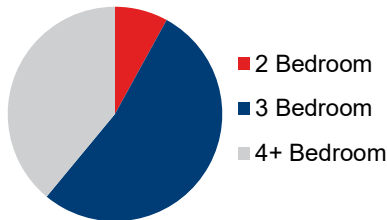
KEY IMPLICATIONS - UNIT

The price point structure of Port Stephens'* unit market have remained relatively stable between 2017 and 2018, with the most dominant price point being under \$350K. However sales activity in this price bracket have declined considerably, from 25.8% in 2017 to 19.4% in 2018, which indicates those looking for affordable options need to get into the market as quickly as possible.

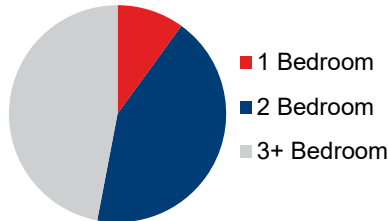
Most of these sales seem to have transferred towards the mid-range price point between \$400-\$550K, with sales activity increasing from 33.1% in 2017 to 38.9% in 2018. Appetite for premium stock, of \$650K+, have marginally decreased. Developers targeting this price point will need to create unique products to attract the market.

INVESTMENT ANALYSIS

HOUSE



UNIT



HOUSE KEY FACTS Q3 2018

Median Rent Price: \$450 per week
Rental Yield: 3.7%
Average Days on Market: 25
Bedroom Breakdown:
 2 Bed: 8%, 3 Bed: 53%, 4+ Bed: 39%

UNIT KEY FACTS Q3 2018

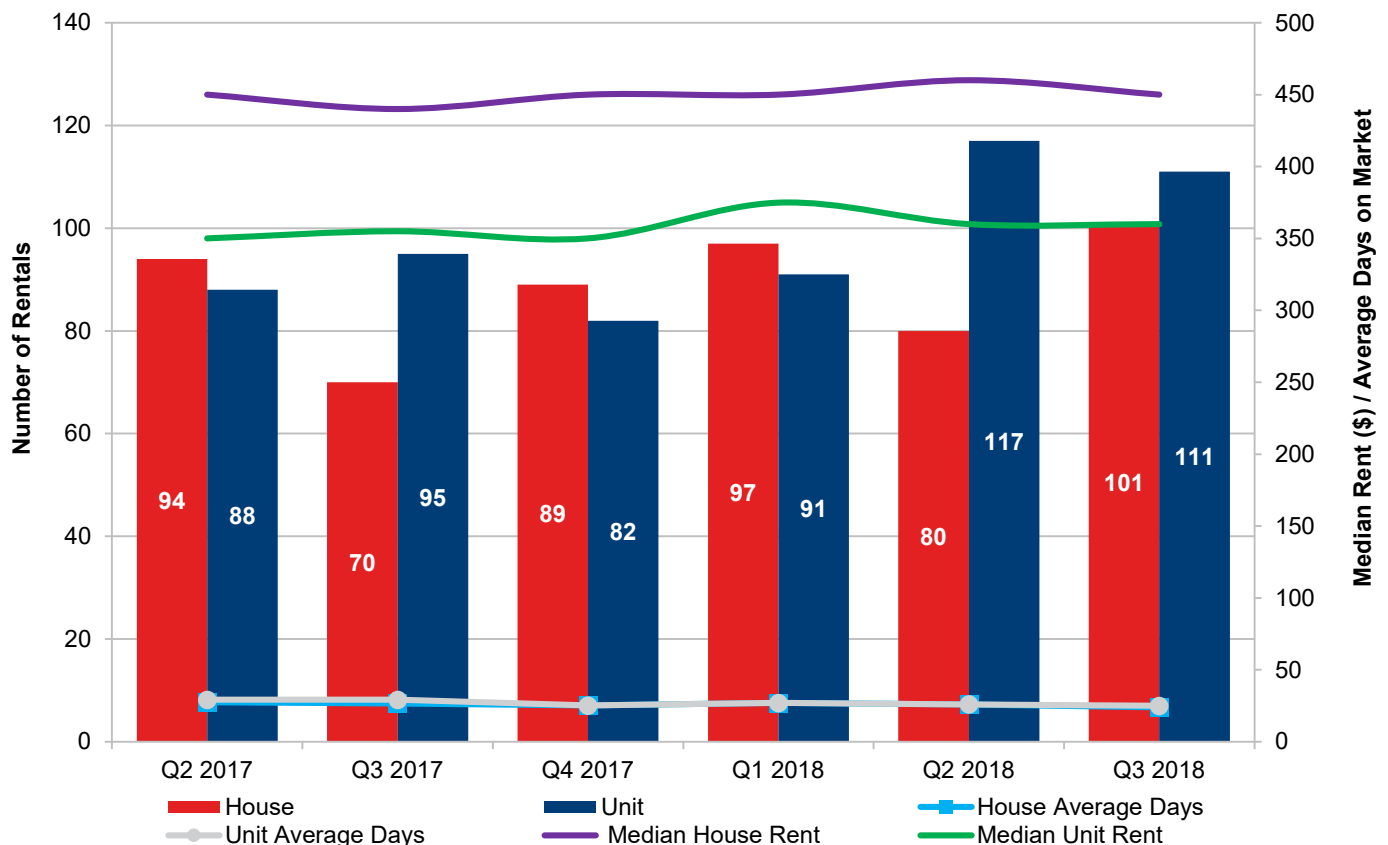
Median Rent Price: \$360 per week
Rental Yield: 4.3%
Average Days on Market: 24
Bedroom Breakdown:
 1 Bed: 10%, 2 Bed: 43%, 3+ Bed: 47%

KEY COMMENTS

Interest in Port Stephens* was recorded at an average of 519 online visits per property in June 2018, a 4.7% increase compared to December 2017, indicating a high demand market. The number of properties rented increased significantly over the past 12 months to Q3 2018, by 44.3% for houses and 16.8% for units. Median rent prices also increase during this time, by 2.3% for houses and 1.4% for units. This suggests a resilient rental market that can absorb a large amount of stock, without the usual consequence of decline in median rental prices. Investors are strongly urged to consider Port Stephens* when broadening their portfolio.

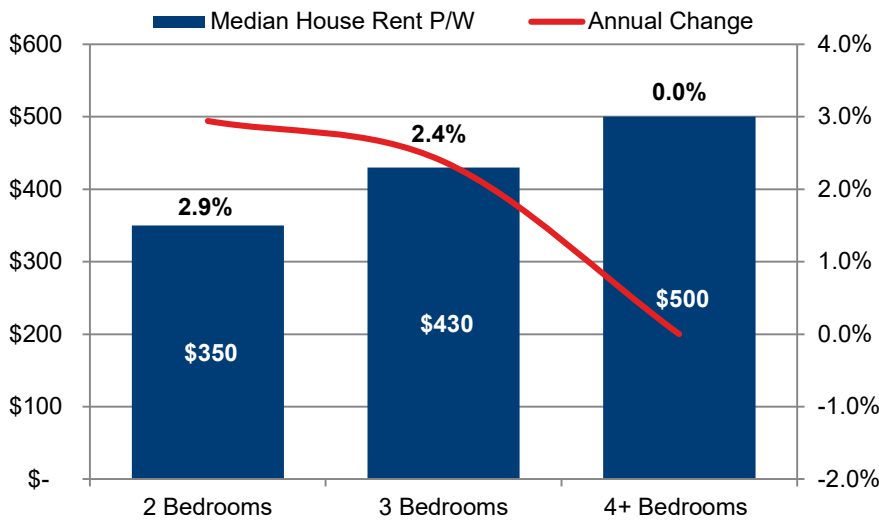


MEDIAN RENT AND AVERAGE DAYS ON MARKET*



*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 2018*



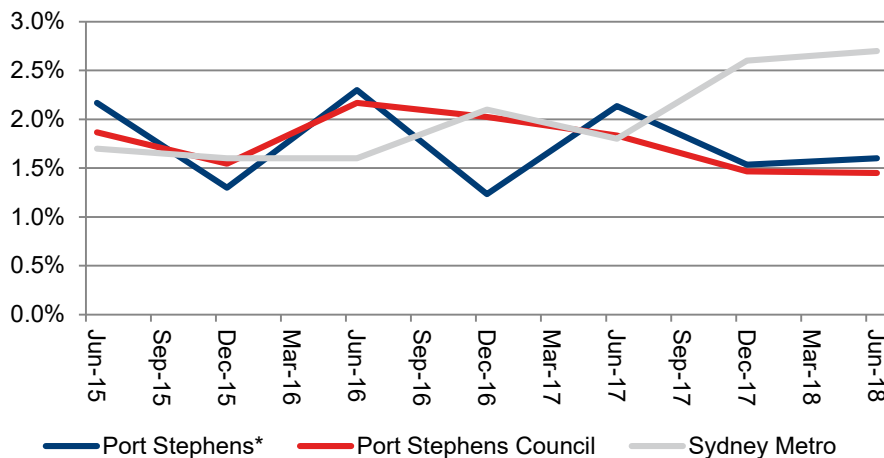
KEY COMMENTS

Rental returns are particularly strong in the Port Stephens LGA, with yields of 3.8% (house) and 6.1% (unit). Port Stephens* also present highly desirable rental returns of 3.7% for houses and 4.3% for units, well above that of Sydney Metro rental yields.

2 bedroom houses provide the highest annual rental growth, at 2.9%.

Vacancy rate in Port Stephens* was 1.6% in June 2018. Not only is this much lower than Sydney Metro (2.7%), it also represents a downward trend – a contrast to Sydney Metro's upwards trend. There is a healthier rental demand in Port Stephens*.

VACANCY RATES 2018



RENTAL YIELD 2018

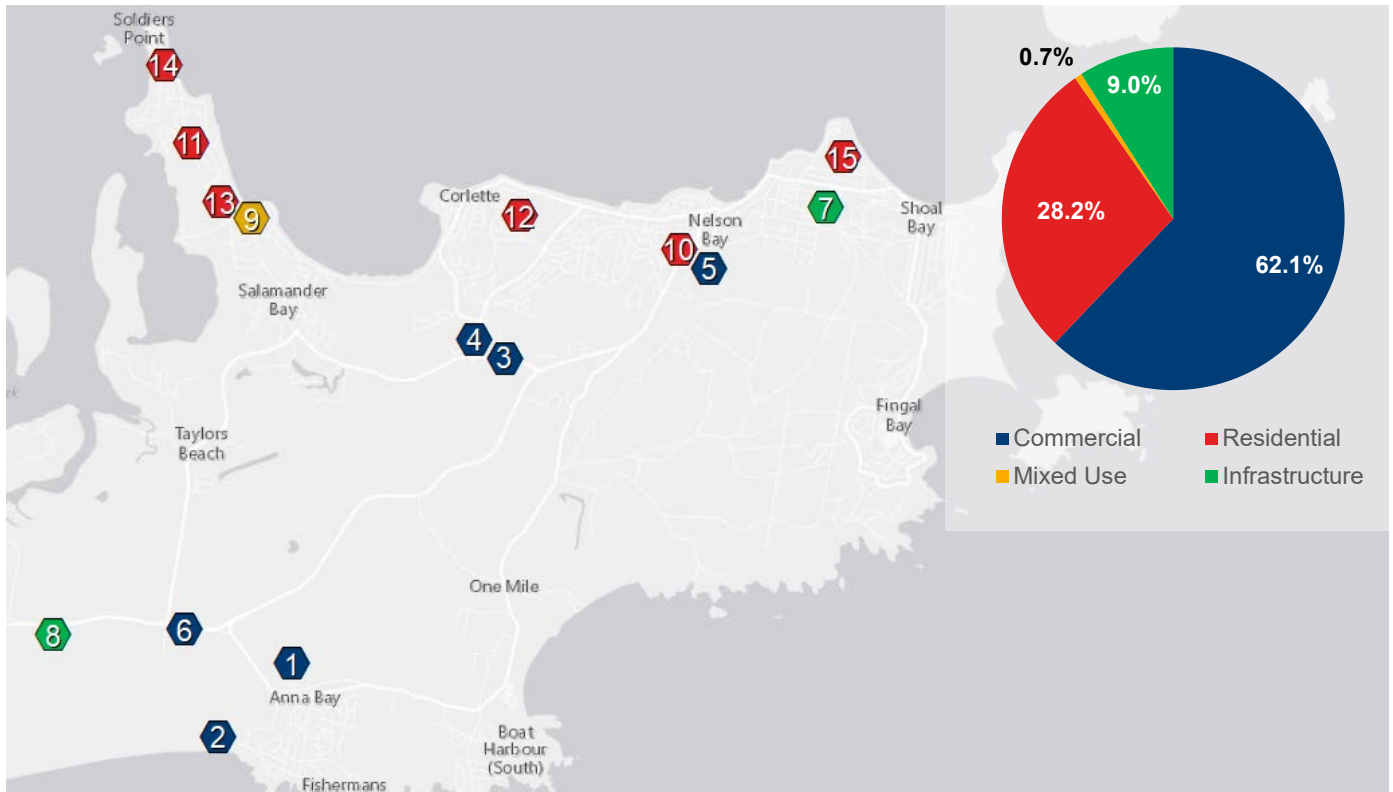
Suburb/Postcode/LGA	House Rental Yield	Unit Rental Yield
Port Stephens*	3.7%	4.3%
Port Stephens Council (LGA)	3.8%	6.1%
Sydney Metro	2.7%	3.7%

KEY HOUSING DEMOGRAPHICS

	Postcode 2315	Postcode 2317	Port Stephens LGA	New South Wales
Median weekly rent	\$330	\$340	\$305	\$380
Family Households	3,921	1,697	18,447	1,874,524
Single or lone person households	1,569	793	6,360	620,778
Worked full time	2,982	1,203	15,925	2,134,521
Worked part time	2,171	912	10,009	1,071,151
Occupied private dwellings	5,654	2,534	25,437	2,604,320
Unoccupied private dwellings	3,100	738	5,638	284,741

*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 Q1-Q3 2017 and Q1-Q3 2018 median rent figures. Source: APM Pricefinder, SQM Research, ABS Census 2016. © Copyright PRDnationwide 2018.

PROJECT DEVELOPMENT MAP 2nd HALF 2018*



Location	Project**	Type	Estimated Value***	Commence Date****
1	The Pulse	Commercial	\$18,000,000	18/11/2018
2	Birubi Beach Resort - Anna Bay Resort	Commercial	\$15,000,000	17/12/2018
3	Woolworths Service Station	Commercial	\$1,250,000	02/07/2018
4	McDonalds Salamander Bay	Commercial	\$1,100,000	01/10/2018
5	Yacaaba Street Dental Surgery	Commercial	\$800,000	07/11/2018
6	Emerald Tiki Village Caravan Park	Commercial	\$444,000	24/11/2018
7	Tomaree Health One	Infrastructure	\$5,000,000	10/12/2018
8	Anna Bay Cemetery	Infrastructure	\$310,000	03/09/2018
9	Randall Drive Mixed Use Development (1 Unit)	Mixed-Use	\$400,000	05/09/2018
10	Donald Street Units (17 Units)	Residential	\$6,932,000	21/11/2018
11	Bagnall Avenue Units (8 Units)	Residential	\$2,955,000	26/11/2018
12	Kanangra Ave Townhouses (4 Townhouses)	Residential	\$2,200,000	10/10/2018
13	Soldiers Point Road Residential Subdivision (18 Lots)	Residential	\$2,000,000	20/11/2018
14	Soldiers Point Rd Dwellings (6 Dwellings)	Residential	\$1,650,000	15/10/2018
15	Catalina Close Units (4 Units)	Residential	\$900,000	29/10/2018

*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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