



Central Coast
Postcodes 2259 and 2261
Property Factsheet
1st Half 2019





MARKET CONDITIONS

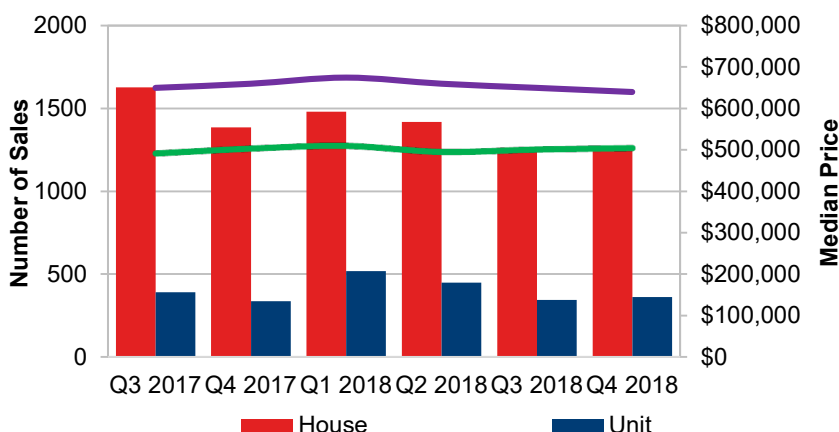
Over the past 12 months to Q4 2018, the Central Coast* area, particularly that of postcodes 2259 and 2261* recorded a median house price of \$600,000. This reflected an annual (Q4 2017 – Q4 2018) softening of -3.2%. Median unit price slightly decreased, by -1.3% to \$430,000 during this time frame. By comparison the *Central Coast* 2nd half 2018 Research Factsheet* reported a 4.7% median price growth for house and stable growth for units between Q3 2017-Q3 2018. This suggests the Central Coast* property market has become more affordable.

Over the same period (Q4 2017-Q4 2018), median house prices in Central Coast (LGA) also softened, by -3.0% to \$640,000. Meanwhile median unit prices slightly strengthened by 0.2% to \$505,000. Compared to Central Coast LGA, houses and units in the postcodes 2259 and 2261* are more affordable. First home buyers and investors need to take advantage of this opportunity.

Average vendor discounting between Q4 2017 and Q4 2018 has widened from -2.7% to -5.4% for houses and from -2.6% to -4.3% for units. This shows that the market has further favoured buyers, where sellers are willing to negotiate on their first list asking price. Now is the time to transact in the market, as buyers can benefit from higher discounts while sellers can minimise risks.

Median house rent prices in postcodes 2259 and 2261* has softened by -2.2% over the past 12 months to Q4 2018, to \$450 per week. Whereas median unit rents strengthened by 5.6% to \$380 per week. Investors are benefitting from quick rental uptake as vacancy rates were at a low 1.5% as of December 2018. Furthermore, rental yields in postcodes 2259 and 2261* are at 3.9% (house) and 4.9% (unit), which are higher than Sydney Metro's 2.9% (house) and 3.8% (units). This makes the area a perfect market to start an investment portfolio.

CENTRAL COAST COUNCIL LGA GROWTH



OVERVIEW

Postcodes 2259 and 2261* are situated in the Central Coast region, located approx. 89km north-east of Sydney CBD. Auction clearance rates were at 26.1% in Q4 2018. This is below the Central Coast LGA auction clearance rate of 28.2% and Sydney Metro of 44.3%. This suggests that private treaty is still the preferred method in the postcodes of 2259 and 2261*.

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

FUTURE DEVELOPMENTS*

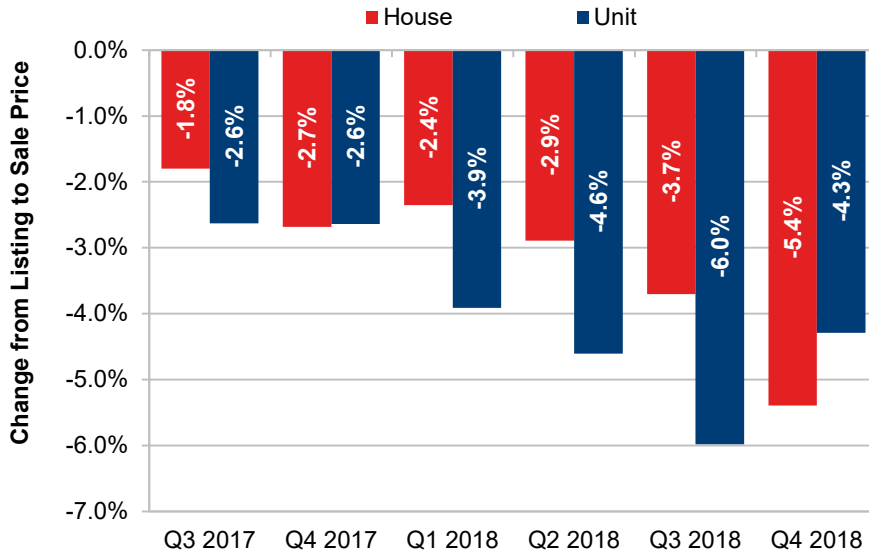
In the 1st half of 2019 a total of \$76.2M of future developments is set to be invested in postcodes 2259 and 2261*. Commercial investment account for the majority of the value (\$32.0M, 42.0%), followed by residential projects (\$29.6M, 38.9%) and industrial developments (\$14.5M, 19.1%).

The main commercial development is the Uniting Care Facility Hamlyn Terrace (\$10.0M). This project will construct aged care facilities along with 7 independent living units. This development will attract more of the ageing population demographic into the area, as well as create local jobs. This will result in positive spill-over benefits to the property market in the long term future.

Significant residential projects scheduled to commence in the 1st half of 2019 include: Pacific Hwy Subdivisions & Dwellings (\$13.9M, 91 lots and 24 townhouses), Aldenham Road Townhouses (\$2.7M, 14 townhouses), and Anzac Road units (\$2.5M, 20 units). A total of 182 lots, 35 units/apartments and 45 townhouses are planned in the 1st Half of 2019. This incoming residential supply will help accommodate the 6.9% population growth in the area between 2011-2016, and also cater to the increasing demand for new property.

*Central Coast market data and key indicators encapsulates aggregate property market conditions in the post codes of 2259 and 2261.
*Estimated values are based on construction value provided by the relevant data authority and does not reflect commercial and/or re-sale value
Source: APM Pricerfinder, realestate.com.au. © Copyright PRDnationwide 2019.

AVERAGE VENDOR DISCOUNT



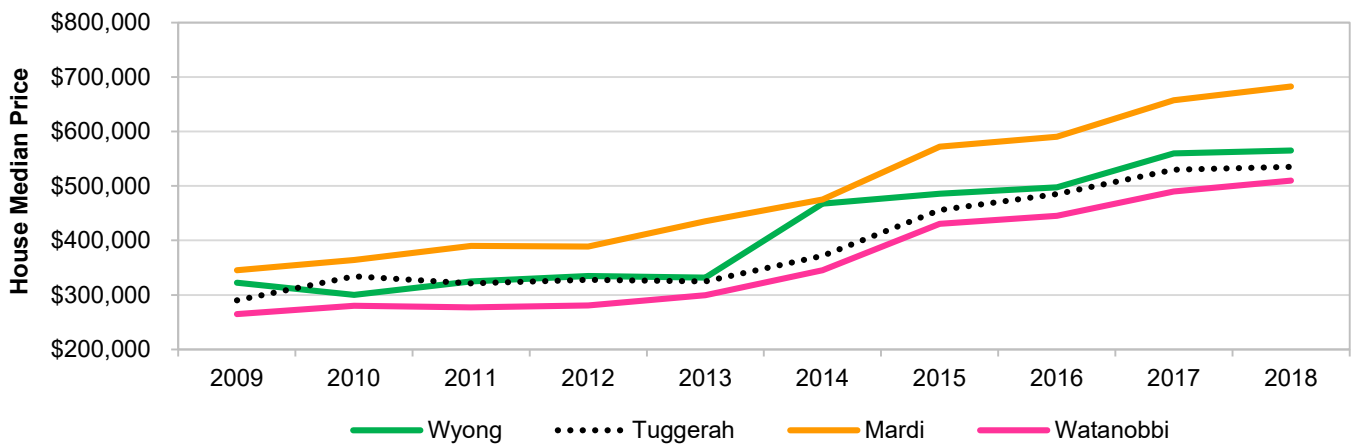
AVERAGE VENDOR DISCOUNT

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.

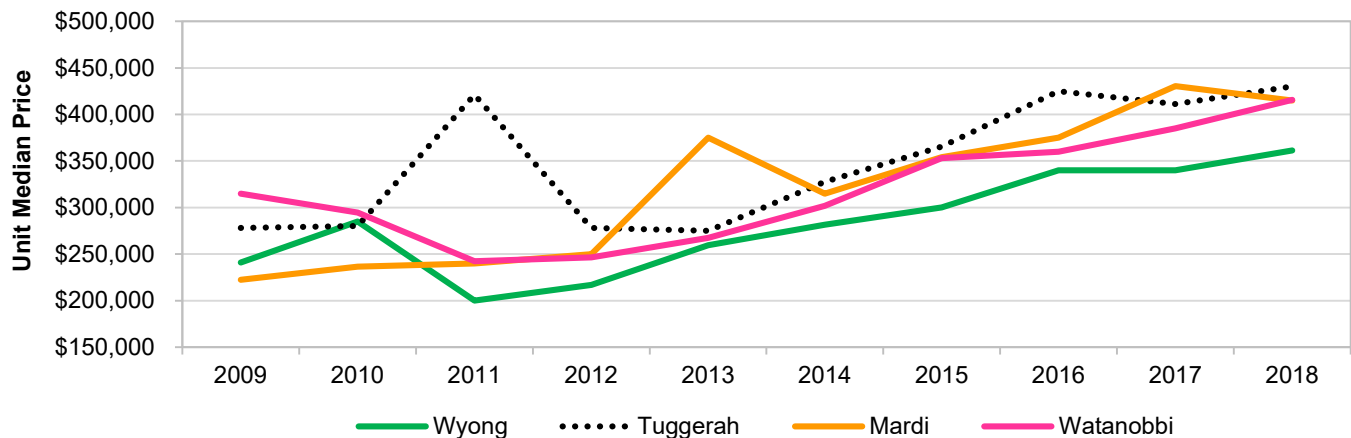
MARKET COMPARISON GRAPH

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 the top performing suburbs within the postcodes of 2259 and 2261*. The main suburb is highlighted by a dotted black line graph.

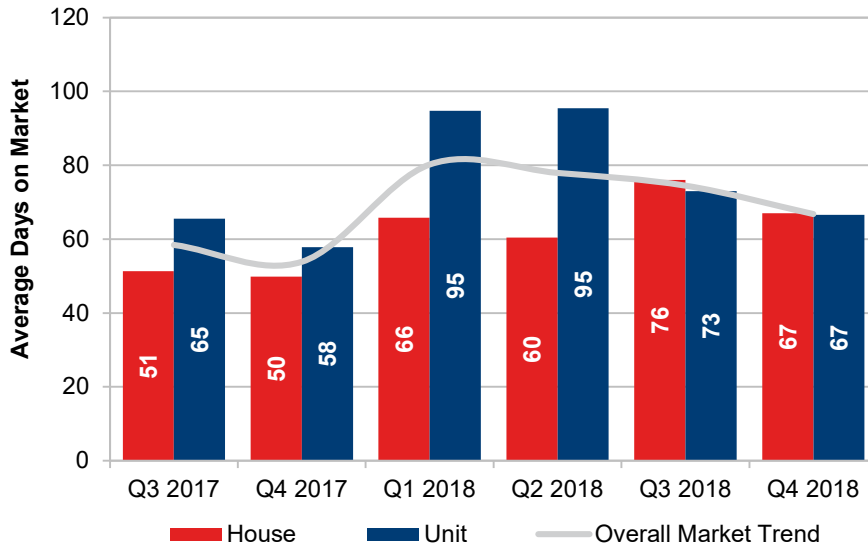
HOUSE MARKET COMPARISON



UNIT MARKET COMPARISON



AVERAGE NUMBER OF DAYS ON THE MARKET**



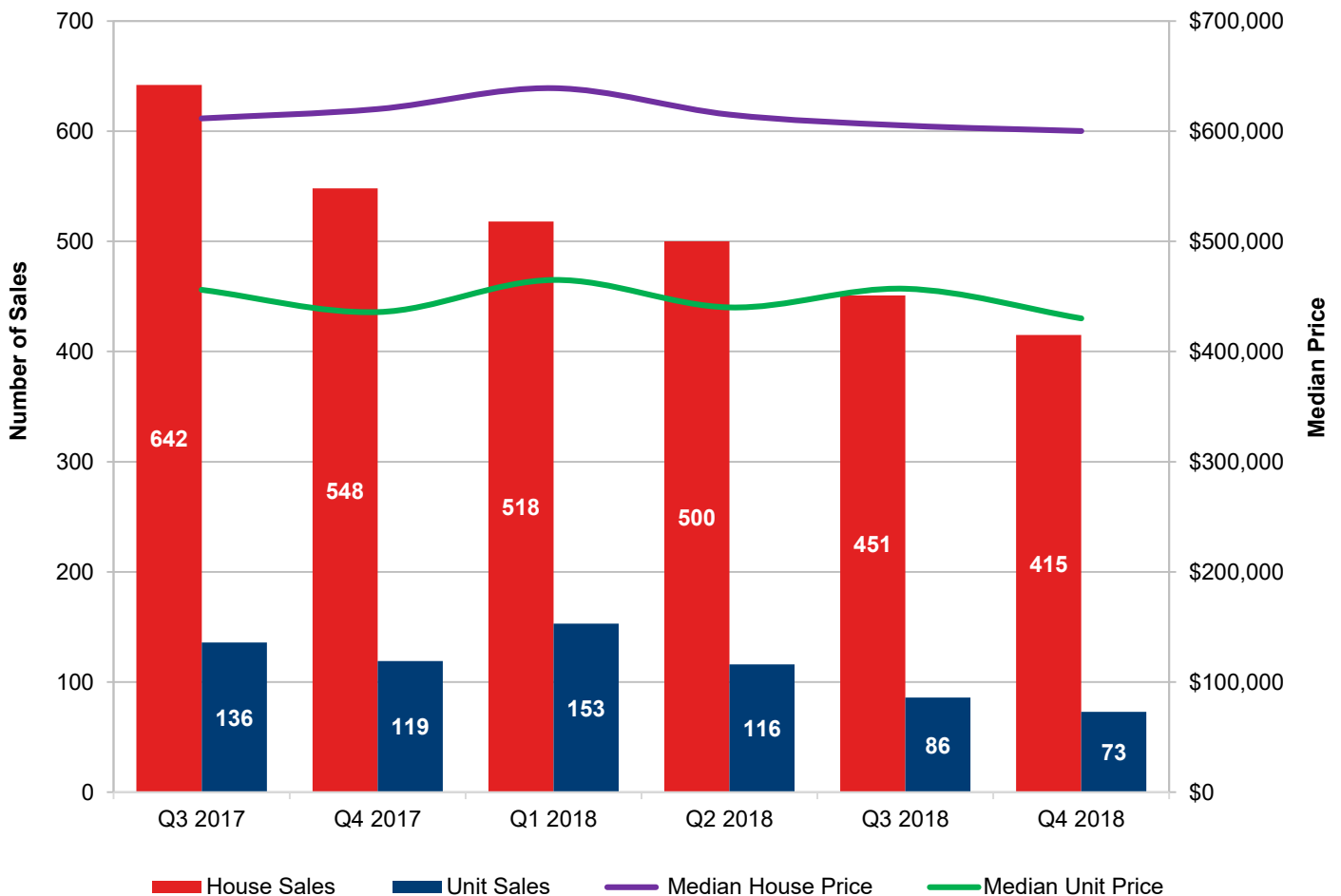
HOUSE KEY FACTS Q4 2018

Median Sale Price: \$600,000
 Annual Growth: -3.2%
 Average Days on Market: 67
 % Change between First Listed Price and Sold Price: -5.4%

UNIT KEY FACTS Q4 2018

Median Sale Price: \$430,000
 Annual Growth: -1.3%
 Average Days on Market: 67
 % Change between First Listed Price and Sold Price: -4.3%

SALES AND MEDIAN PRICE**



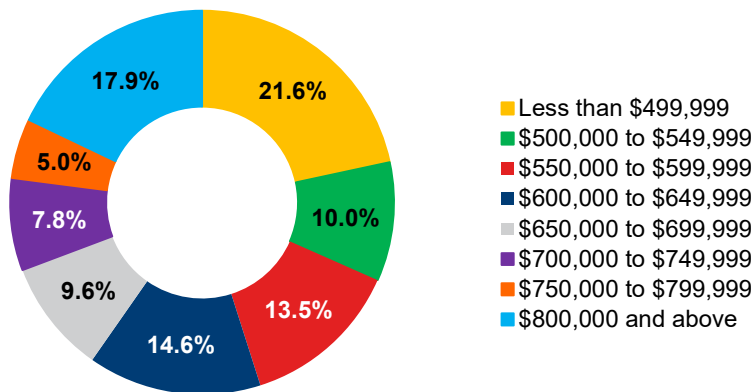
*Annual growth represents price growth for property transactions between Q4 2017 to Q4 2018 (inclusive).

**Sales and median price market data and key indicators encapsulates aggregate property market conditions of postcodes: 2259 and 2261.

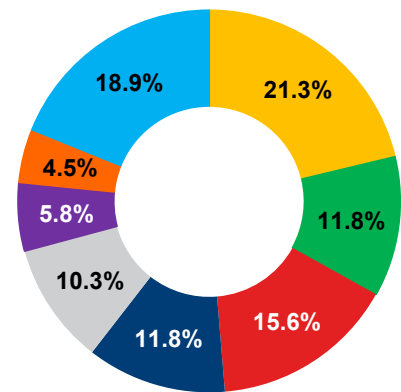
Source: APM Pricerfinder, realestate.com.au, SQM Research. © Copyright PRDnationwide 2019.

SALES PRICE POINT COMPARATIVE ANALYSIS*

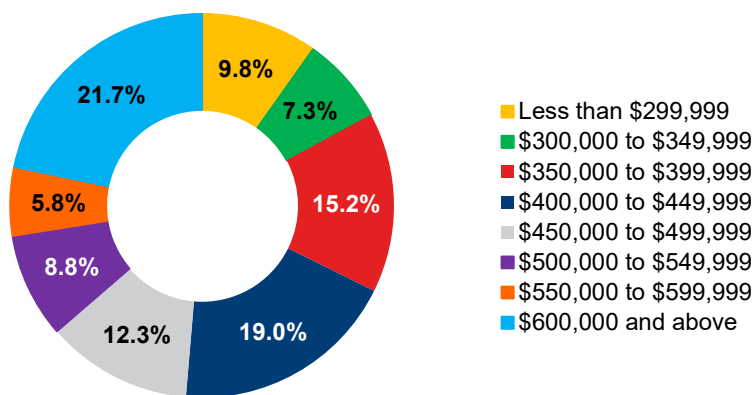
HOUSE PRICE POINT 2017



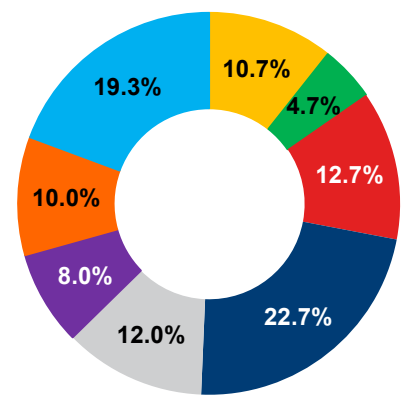
HOUSE PRICE POINT 2018



UNIT PRICE POINT 2017



UNIT PRICE POINT 2018



KEY IMPLICATIONS - HOUSE

In 2018, the dominant proportion of house sales in postcodes 2259 and 2261* was in the lower price point of less than \$499K at 21.3% of sales. This price point was also the dominant price point bracket in 2017, at a similar level of 21.6%. This suggests that properties in the area are affordable, indicating high first home buyer activity.

At the other end of the spectrum, the high end price bracket of \$800K and above has strengthened in sales activity, from 17.9% in 2017 to 18.9% in 2018. This is good news for premium house owners as there is now higher interest in this type of stock. The mid-range price market between \$550 - \$700K have remained stable, at 37.7% of total sales in both 2017 and 2018.

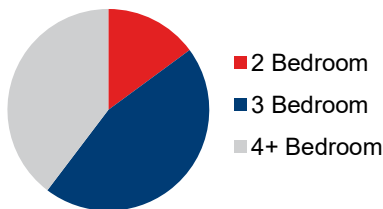
KEY IMPLICATIONS - UNIT

The highest proportion of units sold in postcode 2259 and 2261* in 2018 was mostly within the \$400K - \$449K price segment (22.7%). This price bracket has strengthened in activity, from 19.0% in 2017, suggesting high buyer activity in the middle bracket price range. This has had a ripple effect to sales activity within the lower end price segment of less than \$349K market, declining from a total of 17.1% in 2017 to 15.4% in 2018.

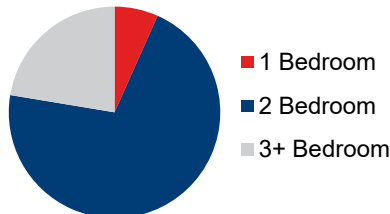
Sales activity within the higher end price bracket of \$600K and above decreased from 21.7% in 2017 to 19.3% in 2018. First home buyers and investors should take this opportunity to enter the market as units are becoming more affordable.

INVESTMENT ANALYSIS

HOUSE



UNIT



HOUSE KEY FACTS Q4 2018

Median Rent Price: \$450 per week
 Rental Yield: 3.9%
 Average Days on Market: 29
 Bedroom Breakdown:
 2 Bed: 16%, 3 Bed: 45%, 4+ Bed: 39%

UNIT KEY FACTS Q4 2018

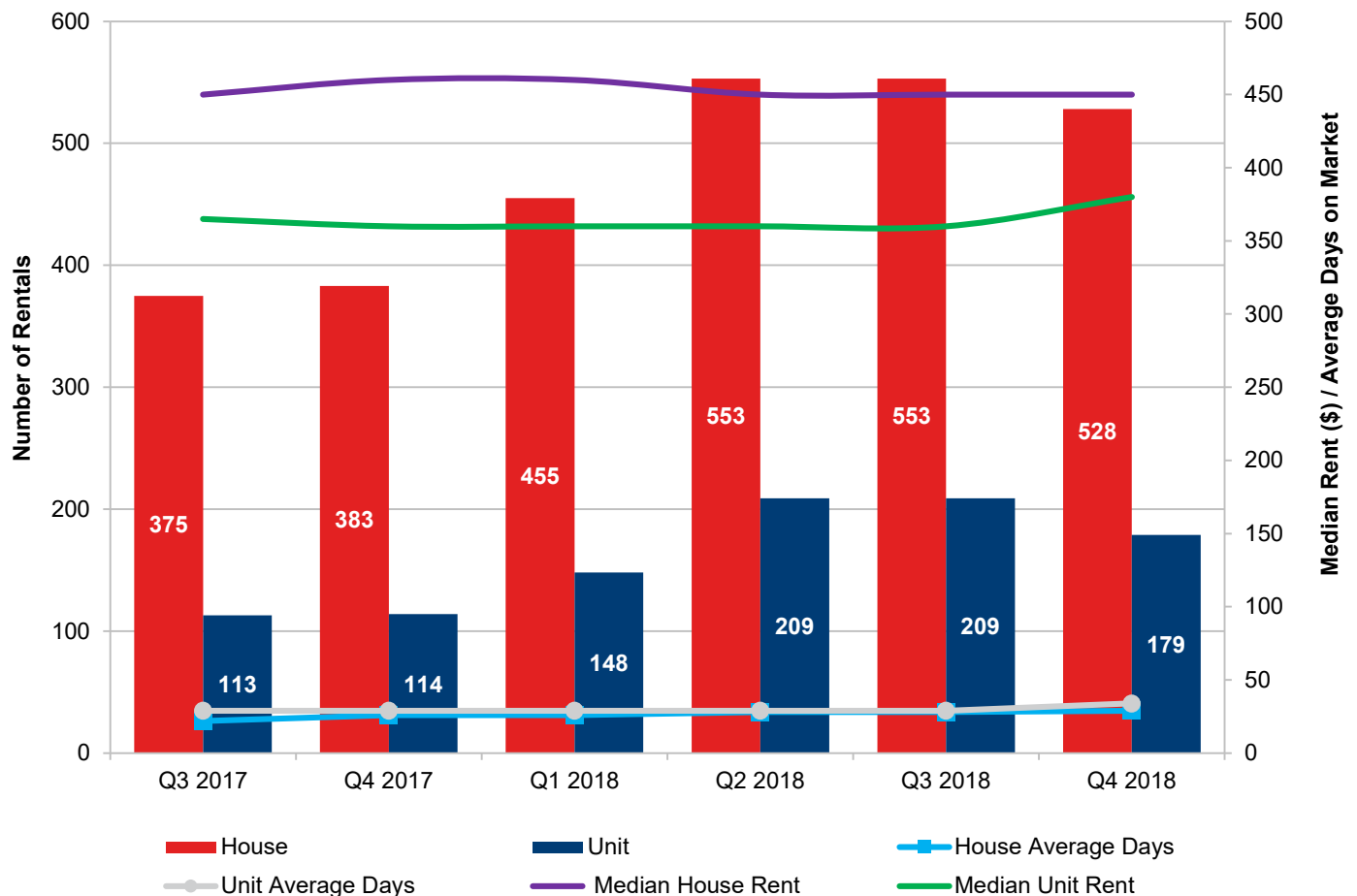
Median Rent Price: \$380 per week
 Rental Yield: 4.9%
 Average Days on Market: 34
 Bedroom Breakdown:
 1 Bed: 8%, 2 Bed: 70%, 3+ Bed: 22%

KEY COMMENTS

Annual (Q4 2017- Q4 2018) rental demand for houses has strengthened in postcodes of 2259 and 2261*, by 37.9%. The number of units rented also increased, by 57.0%. There is a higher shift towards renting in the area, which will benefit investors. During Q4 2017 – Q4 2018 median unit price increased by 5.6%, thus there are real rental returns to be made, and that price increase was not due to an undersupply in units. Astute investors should take this opportunity to enter the market as a high level of interest has been shown in the area, with 839 online visits per property, above the New South Wales average of 742.

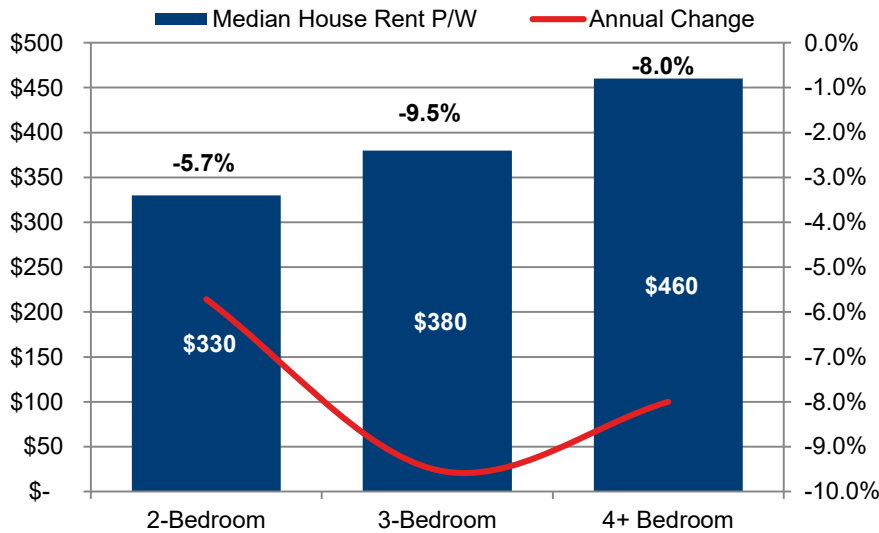


MEDIAN RENT AND AVERAGE DAYS ON MARKET*



*Disclaimer: Median rent and average days on market data and key indicators encapsulates aggregate property market conditions in the following postcodes: 2259 and 2261. Source: APM Pricefinder, realestate.com.au, SQM Research. © Copyright PRDnationwide 2019.

RENTAL PERFORMANCE 2018*



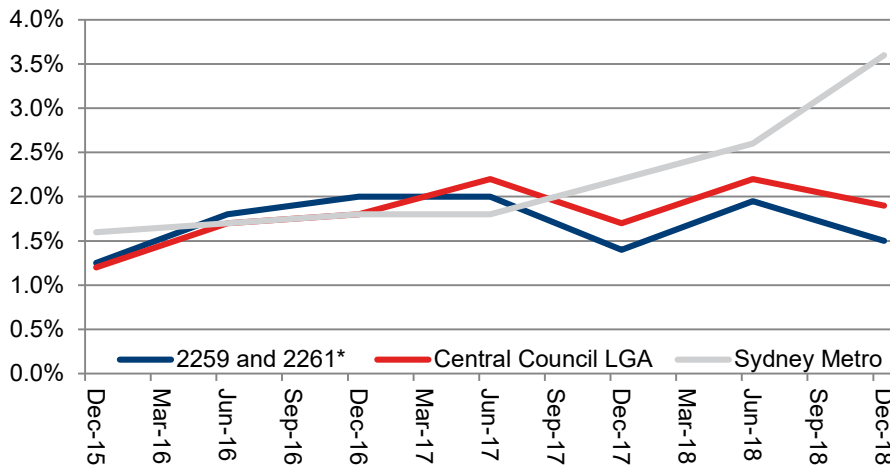
KEY COMMENTS

Over the past 12 months to Q4 2018 Rental yields in postcodes 2259 and 2261* remained at a sustainable level, recording 3.9% for house. This is well above Central Coast LGA (3.4%) and Sydney Metro (2.9%).

Despite the cooling in the rental market, 2 bedroom houses had the least softening in rental growth compared to other bedroom types.

In December 2018 vacancy rates were 1.5%, below Sydney Metro (3.6%). Further, vacancy rates in postcodes 2259 and 2261 have declined over the past 6 months. Although there is a softening median rent price, rental properties are occupied quicker.

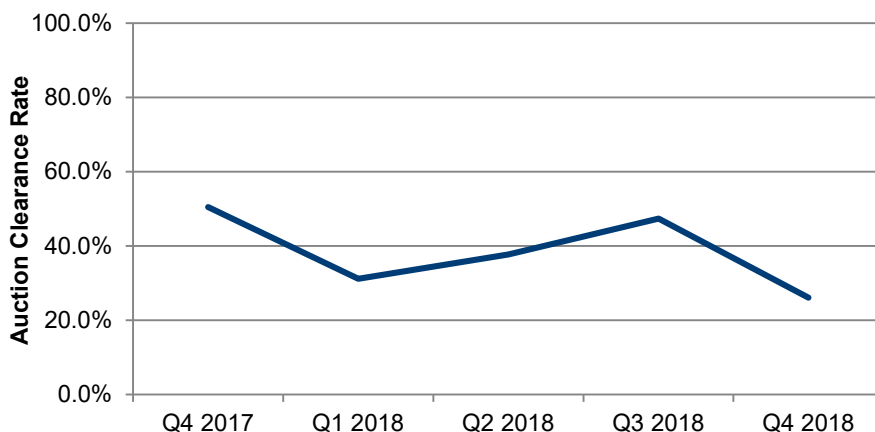
VACANCY RATES 2018



RENTAL YIELD 2018

Suburb/Postcode/LGA	House Rental Yield	Unit Rental Yield
2259 and 2261*	3.9%	4.9%
Central Coast LGA	3.4%	5.0%
Sydney Metro	2.9%	3.8%

AUCTION CLEARANCE RATES 2018**



Q4 18 COMPARISON

Suburb/Postcode/LGA	Auction Clearance Rate
2259 and 2261*	26.1%
Central Coast LGA	28.2%
Sydney Metro [^]	44.3%

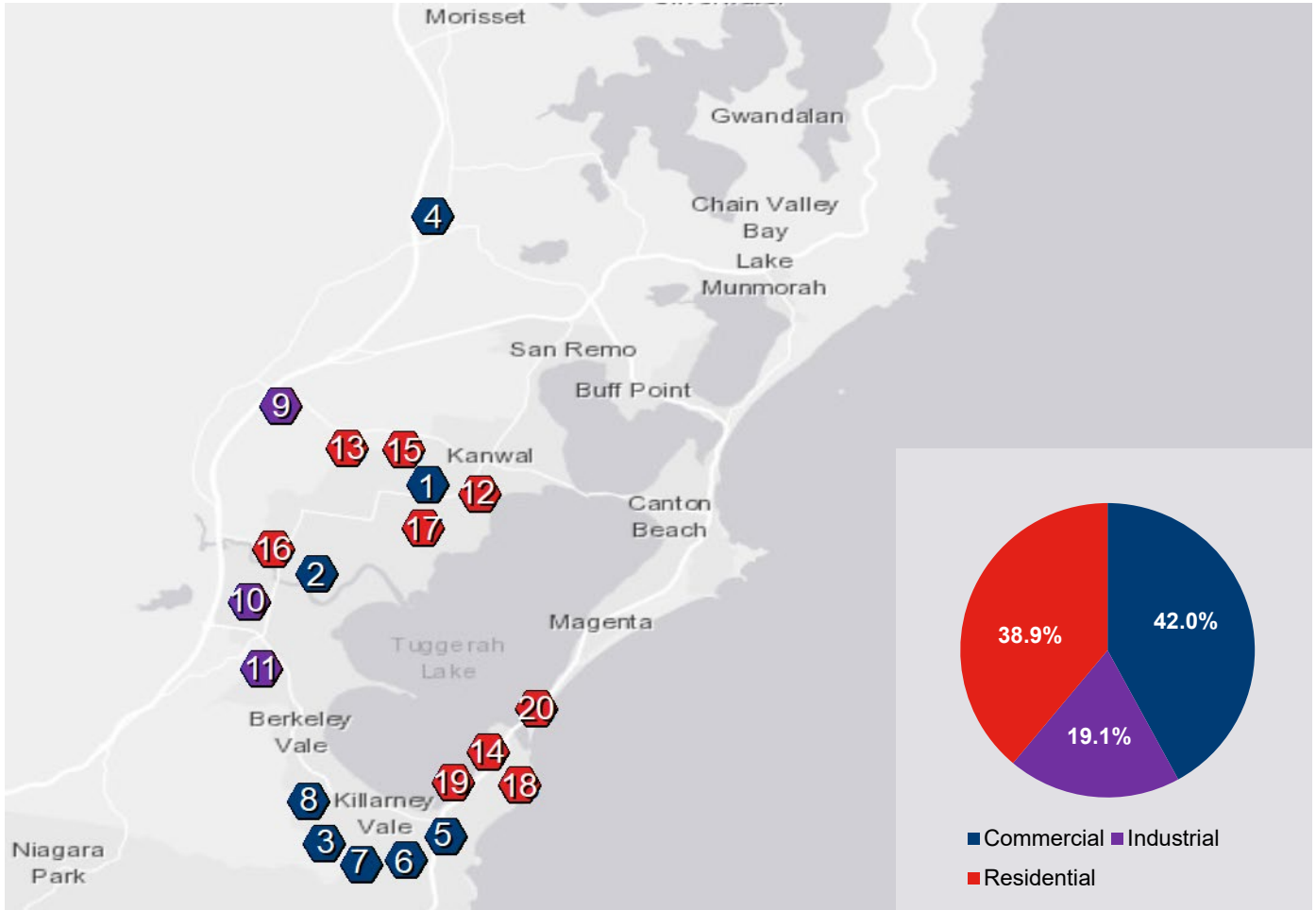
*Rental performance graph represents aggregate house median rent prices in the following postcodes: 2259 and 2261. Annual change is a comparison between 2017 and 2018 median rent figures.

**Auction Clearance rates for Central Coast are for all residential auctions held in the following postcodes: 2259 and 2261

[^]Capital city data obtained by accumulating Domain's weekly auction clearance results.

Source: APM Pricefinder, Domain, SQM Research. © Copyright PRDnationwide 2019.

PROJECT DEVELOPMENT MAP 1ST HALF 2019*



Location	Project**	Type	Estimated Value***	Commence Date****
1	Uniting Care Facility Hamlyn Terrace	Commercial	\$10,000,000	04/04/2019
2	Howarth Street Boarding House	Commercial	\$7,800,000	04/05/2019
3	Opal Residential Aged Care Facility	Commercial	\$5,886,000	10/06/2019
4	Greyhound Racing NSW	Commercial	\$2,000,000	12/02/2019
5	The Entrance Leagues Club	Commercial	\$2,000,000	29/06/2019
6	Robertson Road Seniors Living Units	Commercial	\$1,777,000	04/04/2019
7	Eastern Road Multiple Dwellings	Commercial	\$1,761,000	16/03/2019
8	Mingara Recreation Club	Commercial	\$860,000	02/04/2019
9	Warren Road High Technology Industry	Industrial	\$9,446,000	12/02/2019
10	Pacific Highway & Johnson Road Industrial Buildings	Industrial	\$3,700,000	05/06/2019
11	Fleet Close Industrial Units	Industrial	\$1,383,000	09/03/2019
12	Pacific Hwy Subdivision & Dwellings (91 Lots, 24 Townhouses)	Residential	\$13,960,000	03/06/2019
13	Aldenhams Road Townhouses (14 Townhouses)	Residential	\$2,768,000	15/02/2019
14	Anzac Road Affordable Housing Units (20 Units)	Residential	\$2,584,000	05/06/2019
15	Warnervale Road Residential Subdivision Stages 1-2 (51 Lots)	Residential	\$2,300,000	22/03/2019
16	Hope Street Units (12 Units)	Residential	\$2,100,000	14/02/2019
17	Johns Rd Wadalba Subdivision (40 lots)	Residential	\$2,000,000	17/04/2019
18	Werrina Parade Apartments (3 Apartments)	Residential	\$1,745,000	26/04/2019
19	Archbold Road Townhouses (4 Townhouses)	Residential	\$1,200,000	14/02/2019
20	Stewart Street Townhouses (3 Townhouses)	Residential	\$989,000	01/06/2019

*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 postcodes: 2259 and 2261.

***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. © Copyright PRDnationwide 2019.

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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