



**Port Stephens**  
**Property Factsheet**  
**1st Half 2019**





## MARKET CONDITIONS

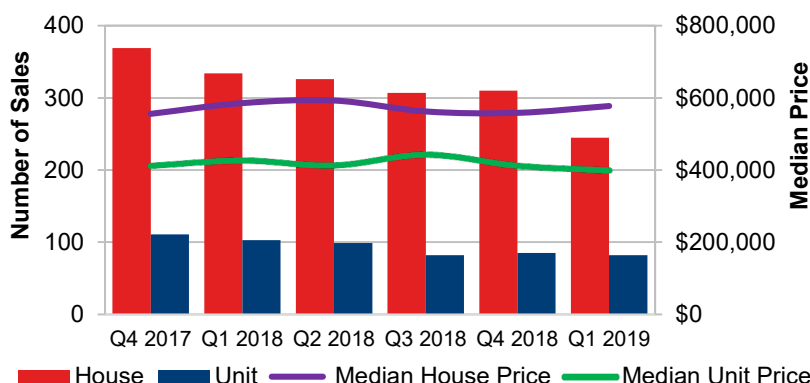
Port Stephens\* recorded a median house price of \$682,500 in Q1 2019, along with a median unit price of \$442,000. This represents growth of 6.6% (house) and 0.5% (unit) over the previous 12 months (Q1 2018 – Q1 2019). When compared to the *2nd Half 2018 Port Stephens Research Factsheet*, which reported annual (Q3 2017 – Q3 2018) growth of 10.0% and 14.1%, the Port Stephens\* property market has continued to strengthen, though at a more subdued rate.

The wider Port Stephens Local Government Area (LGA), by comparison, achieved a median house price of \$577,500 and a median unit price of \$400,000 in Q1 2019. This represented annual (Q1 2018 – Q1 2019) price softening of -1.4% and -6.3% for houses and units respectively. Port Stephens\* is thus seen as premium market, given its higher median prices. Its superior short-term capital growth performance also highlights the area's resilience within the context of the broader LGA.

Across the 12 months to Q1 2019, average vendor discounting for both houses and units in Port Stephens\* recorded a slight widening, out to -5.4% (house) and -5.0% (unit). This suggests that buyers are able to achieve greater discounts now off the initial list price of properties for sale. Buyers are therefore urged to act now, whilst discounts are available to this extent within the Port Stephens\* property market.

Port Stephens\* saw a stable median house rental price of \$450 per week across the 12 months to Q1 2019, while at the same time units recorded a slight softening of -5.3% to reach a median rental price of \$360 per week. Strong surges in rental market activity were also recorded over this same period, increasing 44.9% (house) and 95.4% (unit). Yields of 3.4% (house) and 4.9% (unit) as of December 2018 sat well above Sydney Metro's levels of 2.9% (house) and 3.8% (unit). Vacancies in Port Stephens\* continued to tighten to a very low 1.0%, whilst they rose in Sydney Metro to 3.6%. This affirms the strength of both demand and returns within the local for investors in the Port Stephens\* market as an alternative investment location.

## PORT STEPHENS LGA GROWTH



## OVERVIEW

At a distance of around 2.5 hours north of Sydney, the Port Stephens LGA sits above Newcastle on the east coast. Private treaty is the preferred method of sale across Port Stephens\*, shown by the high number of transactions conducted in this manner. Comparatively low auction volumes and a low clearance rate of 25.2% in Q1 2019 across the area also confirm this.

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

## FUTURE DEVELOPMENTS\*\*

Development within Port Stephens\* in the 1st half of 2019 is set to see an estimated \$58.3M of projects commence. Almost all of this is split between residential (52.2% or \$30.4M) and commercial development (46.6% or \$27.1M), with some spending on infrastructure (\$310K or 0.65%) and mixed-use (\$400K or 0.7%) projects also.

A focus on commercial and residential activity is ideal given the likely spill over benefits of increased employment and dwelling creation to support new local jobs and house a growing population.

The \$15.0M resort project Birubi Beach Resort – Anna Bay Resort is key for the region in the period. The project will in total see 198 tourist units constructed.

Another major project for the period is the \$6.9M residential project Donald Street Units, which will see the construction of 17 units in the Port Stephens\* area.

Residential projects will create a total of 45 units/apartments, 14 townhouses, 198 lots, and 9 dwellings across the period.

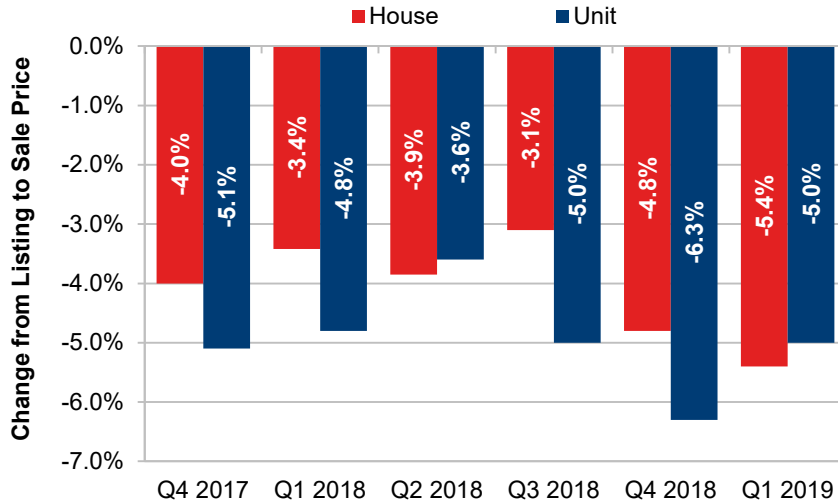
\*Port Stephens market data and key indicators encapsulates aggregate property market conditions in the following suburbs: Anna Bay, Corlette, Nelson Bay, Salamander Bay, Shoal Bay and Soldiers Point.

\*\*Estimated values are based on construction value provided by the relevant data authority and does not reflect commercial and/or re-sale value. Quoted construction and completion dates are estimate only, as per relevant data authority.

Source: APM Pricefinder, Cordell Connect. © Copyright PRDnationwide 2019.



## AVERAGE VENDOR DISCOUNT



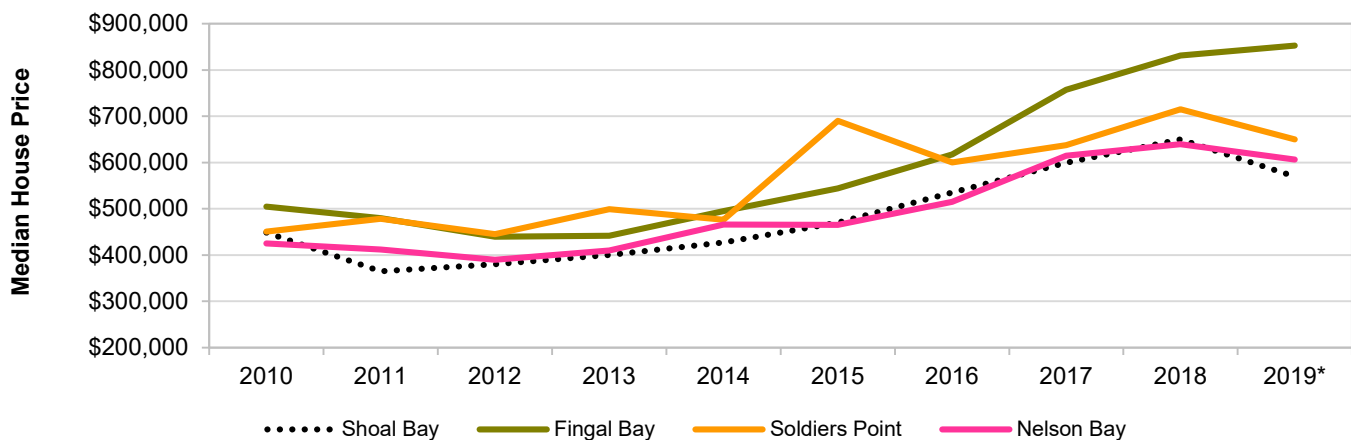
### AVERAGE VENDOR DISCOUNT

The average vendor discount reflects the average percentage difference between the first list price and the 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.

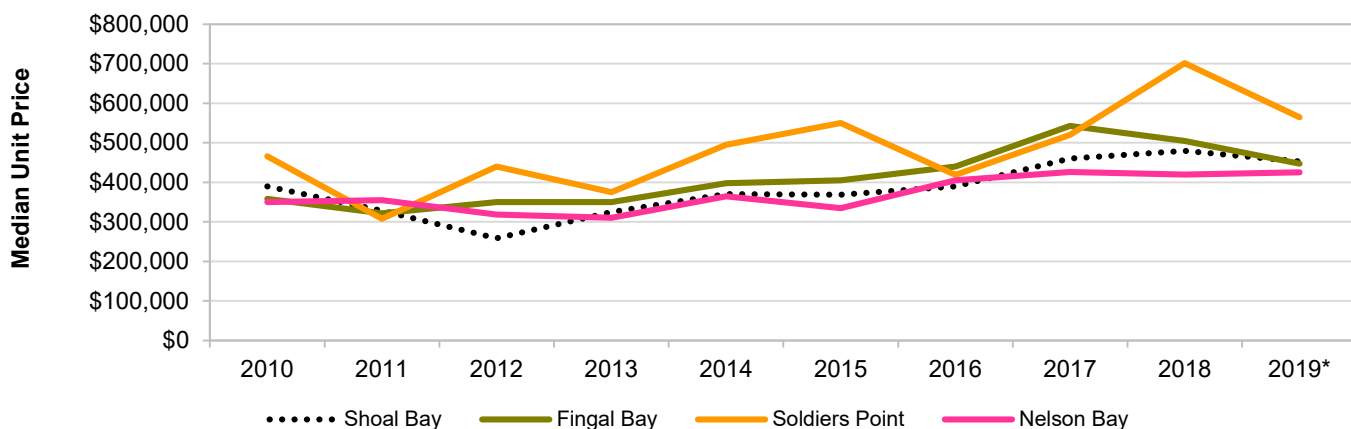
### MARKET COMPARISON GRAPH

The market comparison graph provides a comparative trend for the median price of houses and units over the past 10 years. Suburbs profiled are chosen based on their proximity to the main suburb analysed in this Factsheet, which is Shoal Bay. The main suburb is shown as a dotted black line in the graphs below.

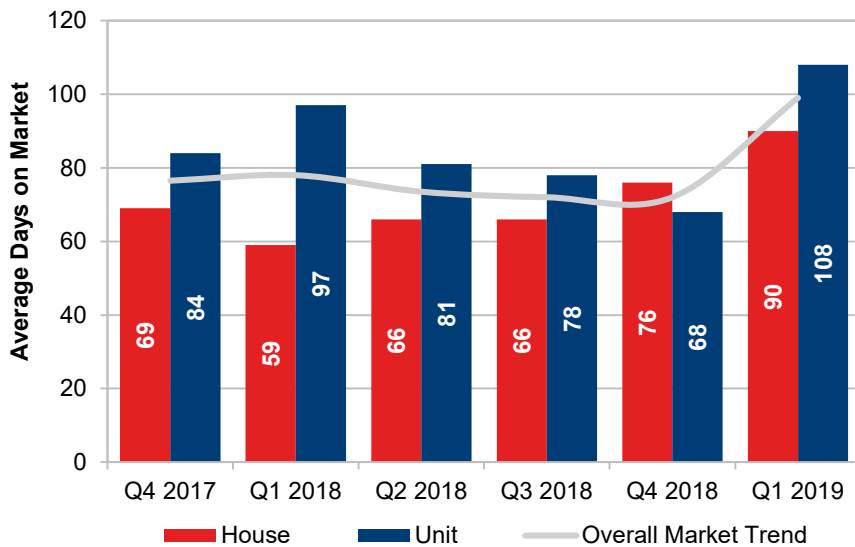
## HOUSE MARKET COMPARISON



## UNIT MARKET COMPARISON



## AVERAGE NUMBER OF DAYS ON THE MARKET\*\*



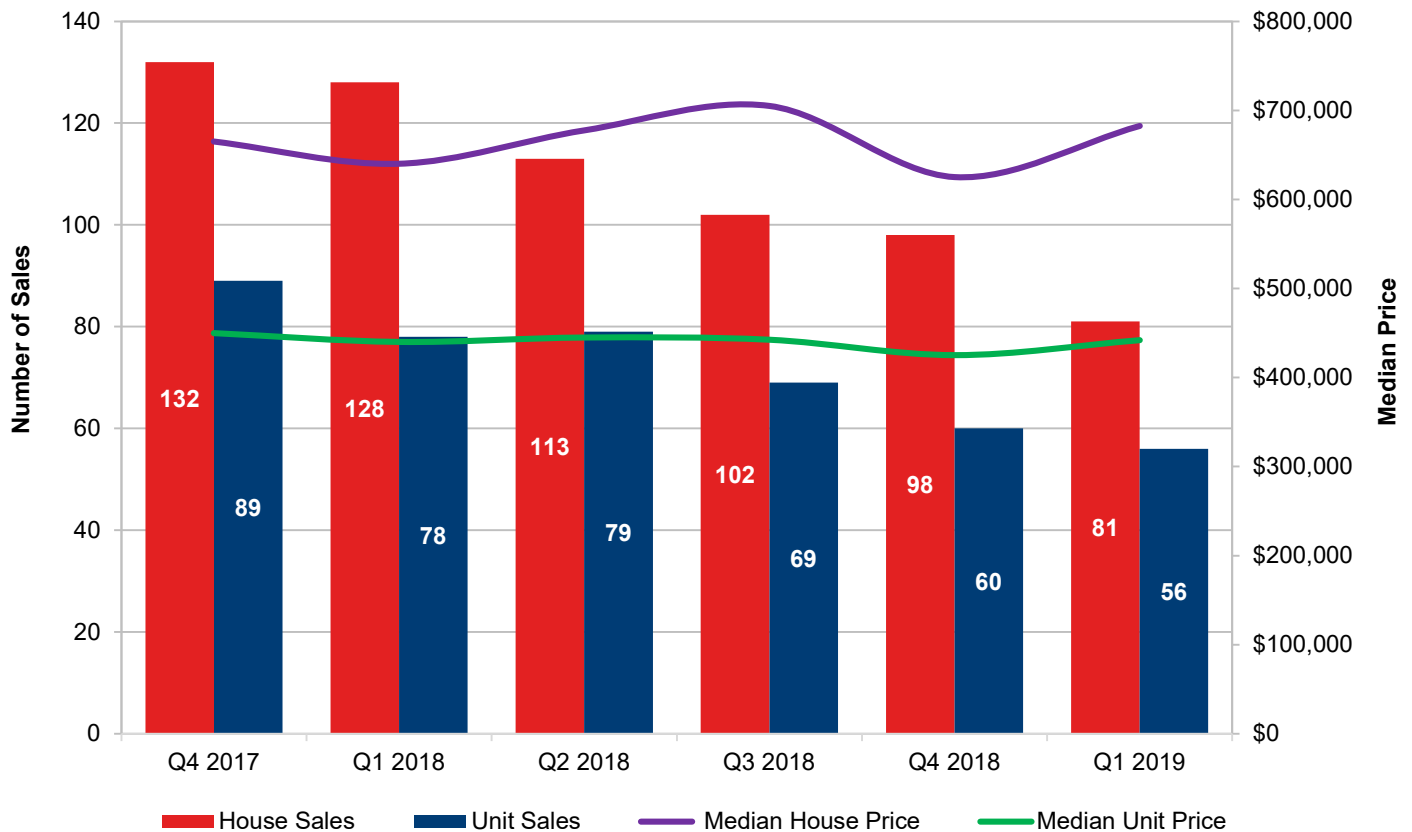
### KEY HOUSE FACTS Q1 2019

Median Sale Price: \$682,500  
Annual Growth: 6.6%\*  
Average Days on Market: 90  
% Change Between First Listed Price and Sold Price: -5.4%

### KEY UNIT FACTS Q1 2019

Median Sale Price: \$442,000  
Annual Growth: 0.5%\*  
Average Days on Market: 108  
% Change Between First Listed Price and Sold Price: -5.0%

## SALES AND MEDIAN PRICES\*\*



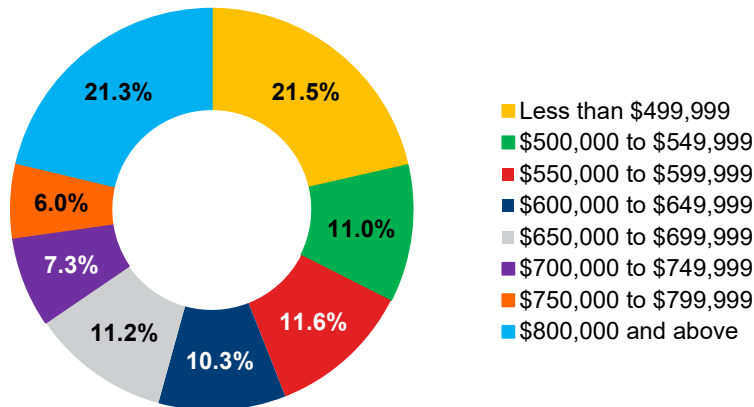
\*Annual growth represents price growth for property transactions between Q1 2018 to Q1 2019 (inclusive).

\*\*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.

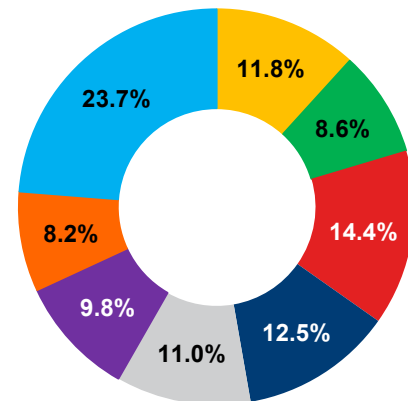
Source: APM Pricerfindr, realestate.com.au, SQM Research. © Copyright PRDnationwide 2019.

## SALES PRICE POINT COMPARATIVE ANALYSIS

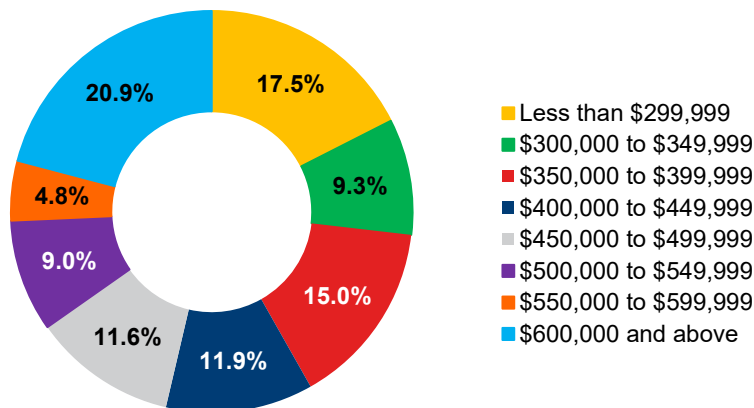
### HOUSE PRICE POINT 2017



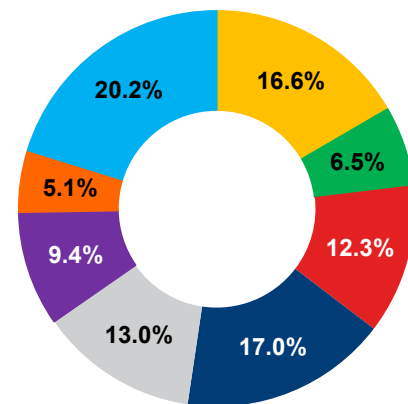
### HOUSE PRICE POINT 2018



### UNIT PRICE POINT 2017



### UNIT PRICE POINT 2018



#### KEY IMPLICATIONS - HOUSES

Throughout 2018, 23.7% of houses sold across the Port Stephens\* area were priced above \$800K, making it the largest price bracket for the year. This was also the case in 2017, where it accounted for 21.3% of sales.

A large swing occurred at the other end of the price range, where homes priced below \$400K declined from 21.5% of total sales in 2017 to 11.8% of sales in 2018, a reduction of -9.7%. Interestingly, most other brackets saw relatively little shifts and remained relatively proportioned. This has resulted in a large decline in the availability of affordable stock. Buyers seeking to enter the Port Stephens\* house market are thus urged to act quickly before this affordable bracket completely vanishes.

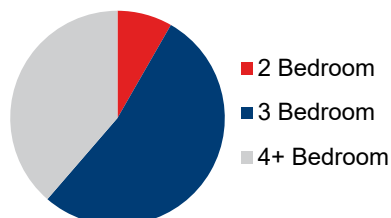
#### KEY IMPLICATIONS - UNITS

From 2017 to 2018, the unit market in Port Stephens\* exhibited a similar trend to houses, with a decline in the overall availability of more affordable stock. That said, the shift has occurred in the low-to-mid range of the market, with units priced from \$300K-400K, shrinking by -5.7% to 18.8% of all sales in 2018. Conversely, the brackets immediately above, of \$400K-500K, together increased by 6.5% to reach 30.0% of all sales.

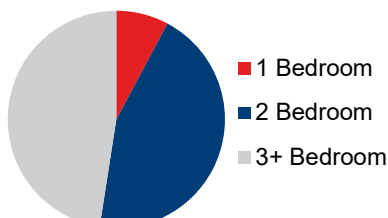
The uppermost and lowermost brackets showed similar proportions of sales overall, showing that the middle of the market has grown to desire more premium unit stock. Investors are urged to act now, given that the mid-range of the unit market has seen the benefit of increasing.

## INVESTMENT ANALYSIS

### HOUSE



### UNIT



#### KEY HOUSE FACTS Q1 2019

**Median Rent Price:** \$450 per week  
**Rental Yield:** 3.4%  
**Average Days on Market:** 24  
**Bedroom Breakdown:**  
2 Bed: 8%, 3 Bed: 53%, 4+ Bed: 39%

#### KEY UNIT FACTS Q1 2019

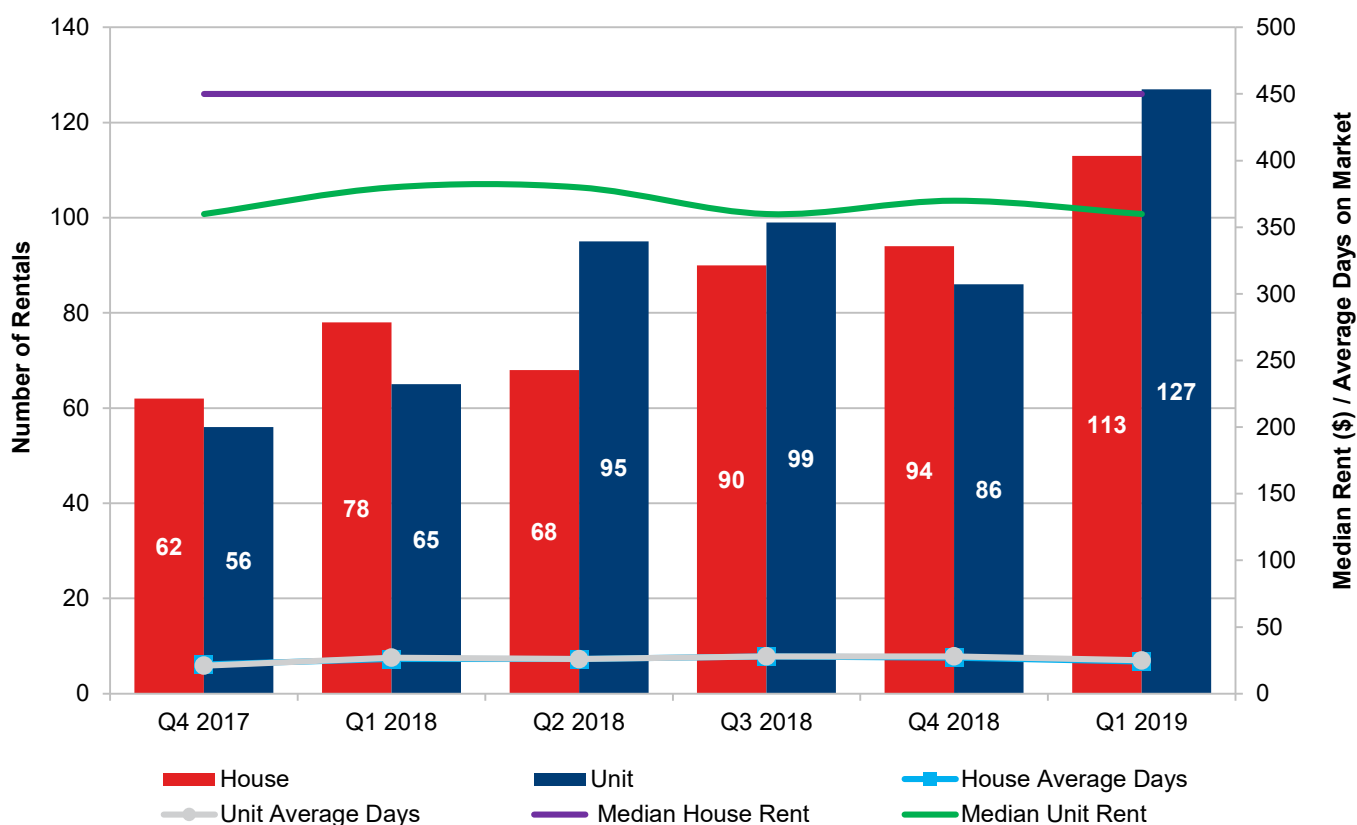
**Median Rent Price:** \$360 per week  
**Rental Yield:** 4.9%  
**Average Days on Market:** 25  
**Bedroom Breakdown:**  
1 Bed: 8%, 2 Bed: 45%, 3+ Bed: 48%

#### KEY COMMENTS

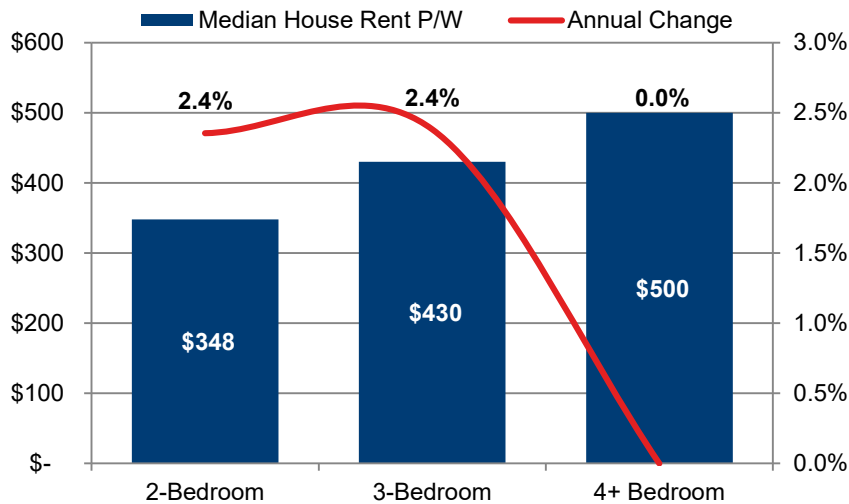
Investors in Port Stephens\* saw a median rental price of \$450 per week across Q1 2019 for houses, and of \$360 per week for units at the same time. Houses saw stability their rental prices annually (Q1 2018 – Q1 2019), whilst units saw a slight softening of -5.3%. Over this same period, rental market activity increased notably, up 44.9% for houses and 95.4% for units. This is indicative of positive demand for rentals. Yields of 3.4% (house) and 4.0% (unit) in December 2018 were well above Sydney Metro's 2.9% (house) and 3.8% (unit), highlighting the value afforded to investors in this alternative investment hotspot.



## MEDIAN RENT AND AVERAGE DAYS ON THE MARKET\*



## RENTAL PERFORMANCE 2018\*



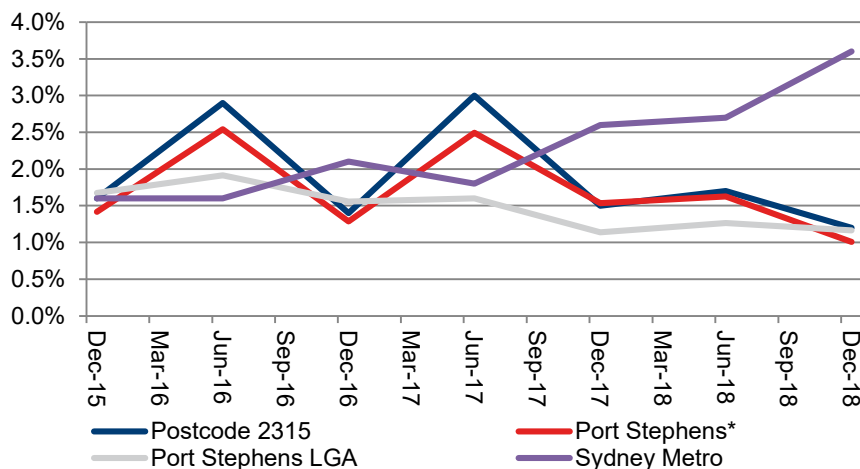
### KEY COMMENTS

Average yields of 3.4% (house) and 4.9% (units) in December 2018 saw Port Stephens\* offer far better returns than Sydney Metro (at 2.9% and 3.8% respectively), highlighting the value afforded to investors in this area.

Together, 2-bedroom and 3-bedroom houses provided the greatest annual rental growth, at 2.4% across 2018.

Vacancies continued to decline, down to a very low vacancy rate of just 1.0% across Port Stephens\* in December 2018. This was also a level well below Sydney Metro (3.6%). This shows the area currently offers greater income security, in addition to its great returns.

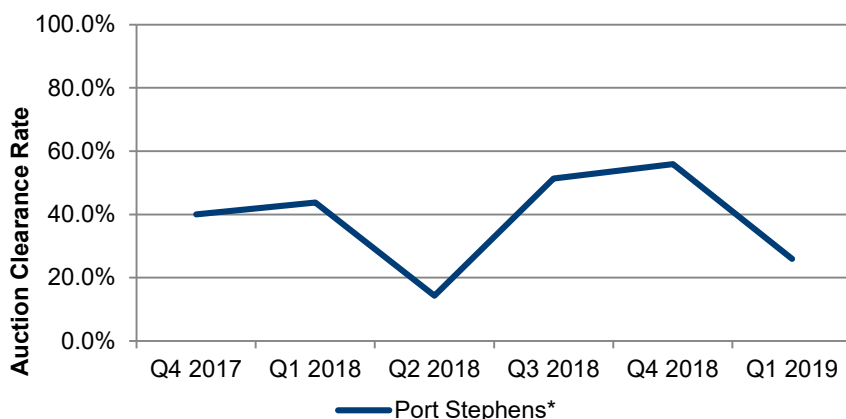
## VACANCY RATES 2018



## RENTAL YIELD 2018

Suburb/ Postcode/ LGA	House Rental Yield	Unit Rental Yield
Port Stephens*	3.4%	4.9%
Port Stephens LGA	4.0%	4.9%
Sydney Metro	2.9%	3.8%

## AUCTION CLEARANCE RATES 2019\*\*



## Q1 19 COMPARISON

Suburb/ Postcode/ LGA	Auction Clearance Rate
Port Stephens**	25.9%
Port Stephens LGA	21.2%
Sydney Metro^	58.7%

\*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 2017 and 2018 median rent figures.

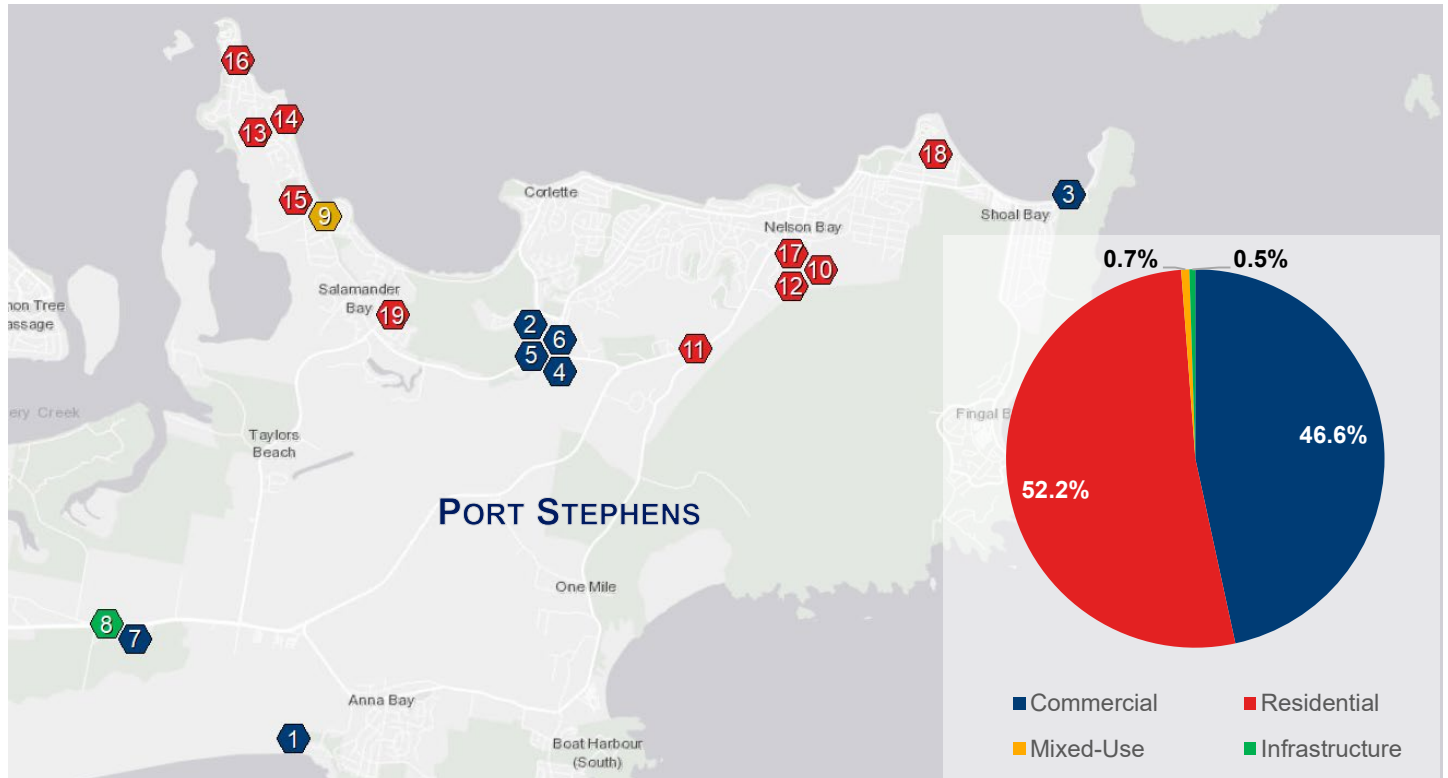
\*\*Auction Clearance rates for Port Stephens are for all residential auctions held in the suburbs Anna Bay, Corlette, Nelson Bay, Salamander Bay, Shoal Bay and Soldiers Point.

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

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



## PROJECT DEVELOPMENT MAP 1<sup>st</sup> HALF 2019\*



Location	Project**	Type	Estimated Value***	Commence Date****
1	Birubi Beach Resort - Anna Bay Resort	Commercial	\$15,000,000	01/04/2019
2	Aldi Supermarket Salamander Bay	Commercial	\$4,810,000	12/06/2019
3	Santa Catalina Motel	Commercial	\$2,480,000	23/06/2019
4	Salamander Way Service Station & Convenience Store	Commercial	\$1,660,000	17/06/2019
5	Woolworths Salamander Bay	Commercial	\$1,200,000	12/06/2019
6	McDonalds Salamander Bay	Commercial	\$1,100,000	25/02/2019
7	Caltex Service Station Anna Bay	Commercial	\$890,000	25/05/2019
8	Anna Bay Cemetery	Infrastructure	\$310,000	13/02/2019
9	Randall Drive Mixed Use Development (1 Dwelling)	Mixed-Use	\$400,000	06/05/2019
10	Donald Street Units (17 Units)	Residential	\$6,932,000	21/05/2019
11	Nelson Bay Rd Subdivision (168 Lots)	Residential	\$6,720,000	18/04/2019
12	Church Street Units (12 Units)	Residential	\$4,223,000	17/06/2019
13	Bagnall Avenue Townhouses (8 Townhouses)	Residential	\$2,955,000	17/06/2019
14	Soldiers Point Road Apartments (6 Apartments)	Residential	\$2,870,000	27/05/2019
15	Soldiers Point Road Residential Subdivision (30 Lots)	Residential	\$2,000,000	04/05/2019
16	Soldiers Point Rd Dwellings (6 Dwellings)	Residential	\$1,650,000	20/06/2019
17	Government Rd Townhouses – Silverpoint (6 Townhouses)	Residential	\$1,500,000	25/02/2019
18	Catalina Close Units (4 Units)	Residential	\$900,000	13/03/2019
19	Soldiers Point Road Dwellings (3 Dwellings)	Residential	\$650,000	23/01/2019

\*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 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 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
- Primary qualitative and quantitative research

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