



Coffs Harbour Property Factsheet 1st Half 2019





MARKET CONDITIONS

Coffs Harbour* recorded a median house price of \$567,500 in Q1 2019, representing annual (Q1 2018 – Q1 2019) price growth of 6.6%. Compared to the *Coffs Harbour* Research Factsheet 2nd half 2018*, which reported an annual (Q3 2017 – Q3 2018) median house price change of 12.7%, houses in Coffs Harbour* have become more affordable. However when compared to Sydney Metro house prices, which are higher (\$925,000) yet with a declining annual growth of approximately -5.6%, Coffs Harbour* is a more affordable and profitable investment opportunity.

Median unit price in Coffs Harbour* in Q1 2019 was \$330,550, which represented an annual (Q1 2018 – Q1 2019) price growth of -11.9%. Units in Coffs Harbour* are now more affordable, which is great news for first home buyers wanting to enter the market. The number of unit sales have declined dramatically over the past 12 months to Q1 2019, by -31.0%. This suggests that developers need to offer unique products to ensure their sale in a slowing market.

Average vendor discount for houses have widened, from -4.2% in Q1 2018 to -4.9% in Q1 2019. The same pattern can be said for units, widening from -3.5% in Q1 2018 to -5.9% in Q1 2019. Thus buyers are benefitting from greater discounts from first list asking price. Average days on the market increased by 9.6% (house) and 12.8% (units) over the past 12 months, suggesting low market competition. Now is an ideal time for buyers to capitalize on this opportunity, whereas sellers should modify their expectation of the final sale price to ensure a lower average days on the market.

The Coffs Harbour* rental market has significantly strengthened, a welcome news for investors. Median rental price increased by 5.7% (house) and 4.5% (units) between Q1 2018 – Q1 2019, despite a 59.6% (house) and 22.7% (units) increase in number of properties rented. This suggests a real increase in rental returns, and room for more investment properties. Rental yield in Coffs Harbour* was recorded at 4.3% (house) and 5.3% (units) in December 2018, significantly higher than Sydney Metro's 2.9% (house) and 3.8% (units), confirming the area as a regional investment hotspot.

MEDIAN HOUSE PRICE COMPARISON

Suburbs	2016	2017	2018	2016-2018 Growth %
Coffs Harbour**	\$442,500	\$479,500	\$496,000	12.1%
Bonville	\$585,000	\$667,000	\$635,000	8.5%
Sapphire Beach	\$625,000	\$731,900	\$705,000	12.8%
Karangi***	\$632,500	\$703,750	\$637,500	0.8%

OVERVIEW

Coffs Harbour* is the largest urban centre on the North Coast, approx. 540kms north of Sydney and 390kms south of Brisbane. Auction clearance rate for Coffs Harbour* was 15.4% in Q1 2019, the lowest over the past 6 quarters. This trend was evident in Q1 2018, which suggest low auction clearance rates due to seasonality as opposed to preference of sale method.

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

FUTURE DEVELOPMENTS^A

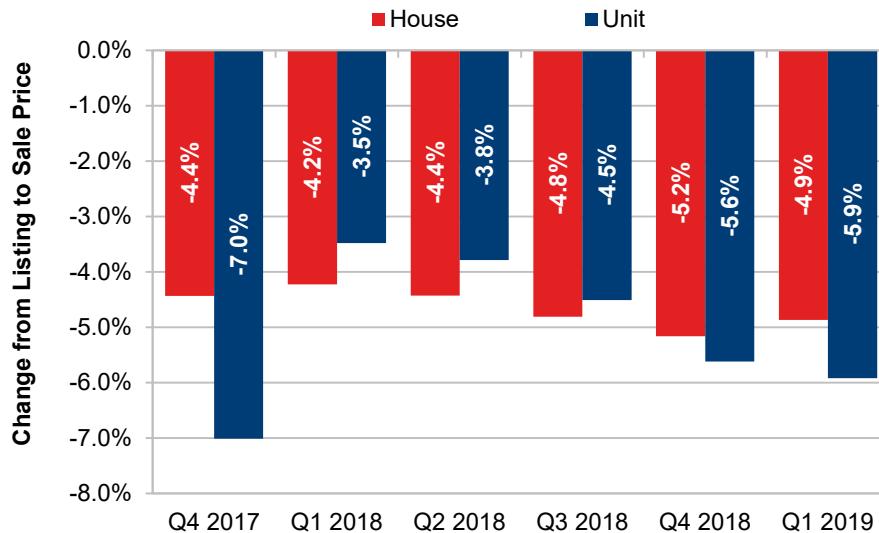
Coffs Harbour* is set to invest approx. \$203.7M in the 1st half of 2019, majority of which is dedicated to infrastructure (59.0%). This is followed by commercial (24.3%) and residential (15.4%). This development strategy is beneficial for Coffs Harbour* as infrastructure projects will improve business connectivity and liveability of residents, whilst commercial projects stimulate local economic growth.

A key infrastructure project is the Coffs Harbour Hospital 5-storey redevelopment (\$120.1M), which will improve liveability for residents while potentially growing the number of local jobs. Key commercial projects include: Coffs Central Hotel (\$20.1M), Marian Grove Independent Living Units (\$19.5M), and Moonee Beach Rd Seniors Living Units (\$4.3M).

A total of 182 subdivision lots, 64 units, 4 townhouses, and 19 dwellings will be added to the market in 1st half 2019. This includes mixed use projects Mildura & Orlando Streets Shop Top Housing (\$1.9M) and residential projects such as Moonee Parklands Subdivision (\$10.0M), Dalley Street Apartments (\$5.0M), and Moore Street Units (\$3.5M).

^ACoffs Harbour market data and key indicators encapsulates aggregate property market conditions in the Coffs Harbour LGA.
^{**}Coffs Harbour market data represents sales in the suburb of Coffs Harbour only.
^{***}Karangi market data is indicative only due to less than 20 sales transactions recorded in each year.
^AEstimated 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 2019.

AVERAGE VENDOR DISCOUNT**



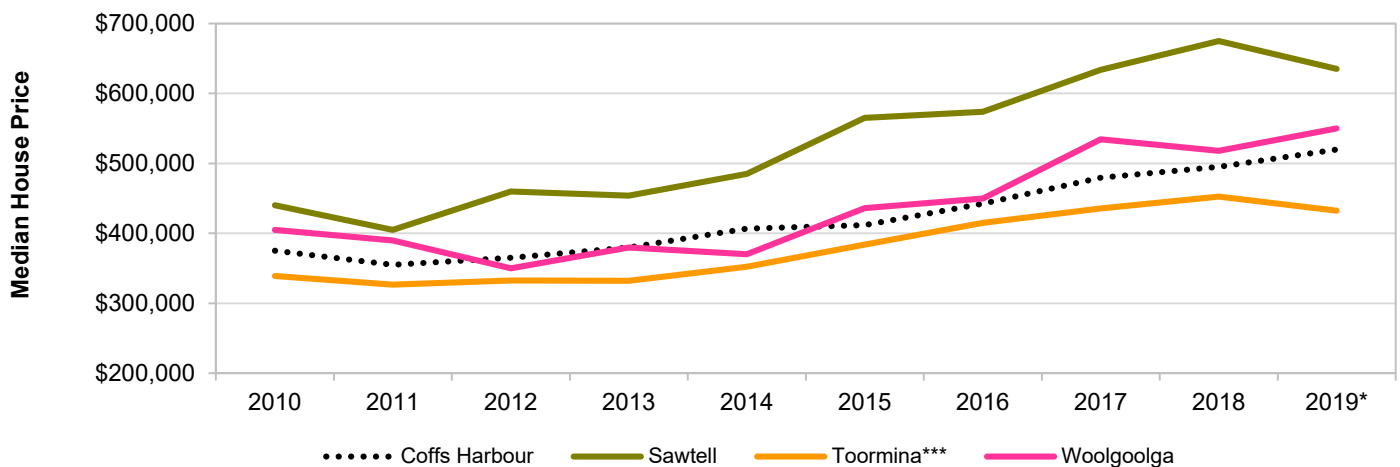
AVERAGE VENDOR DISCOUNT

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.

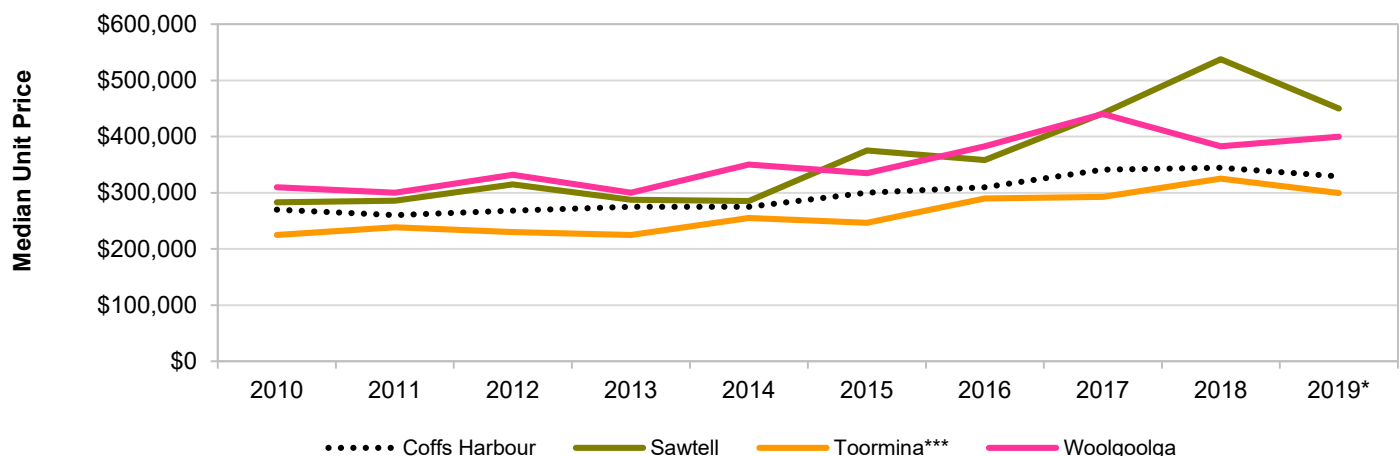
MARKET COMPARISON GRAPH

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 Coffs Harbour. The main suburb is shown as a dotted black line in the graphs below.

HOUSE MARKET COMPARISON



UNIT MARKET COMPARISON

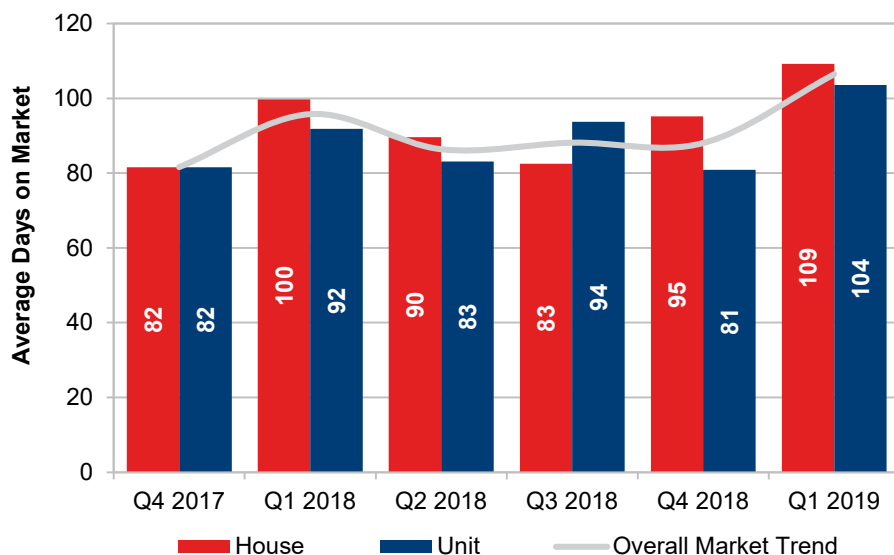


*2019 sales data is inclusive of the period Q1 2019 only.

*Coffs Harbour market data and key indicators encapsulates aggregate property market conditions in the Coffs Harbour LGA.

Source: APM Pricerfinder. © Copyright PRDNationwide 2019.

AVERAGE NUMBER OF DAYS ON THE MARKET**



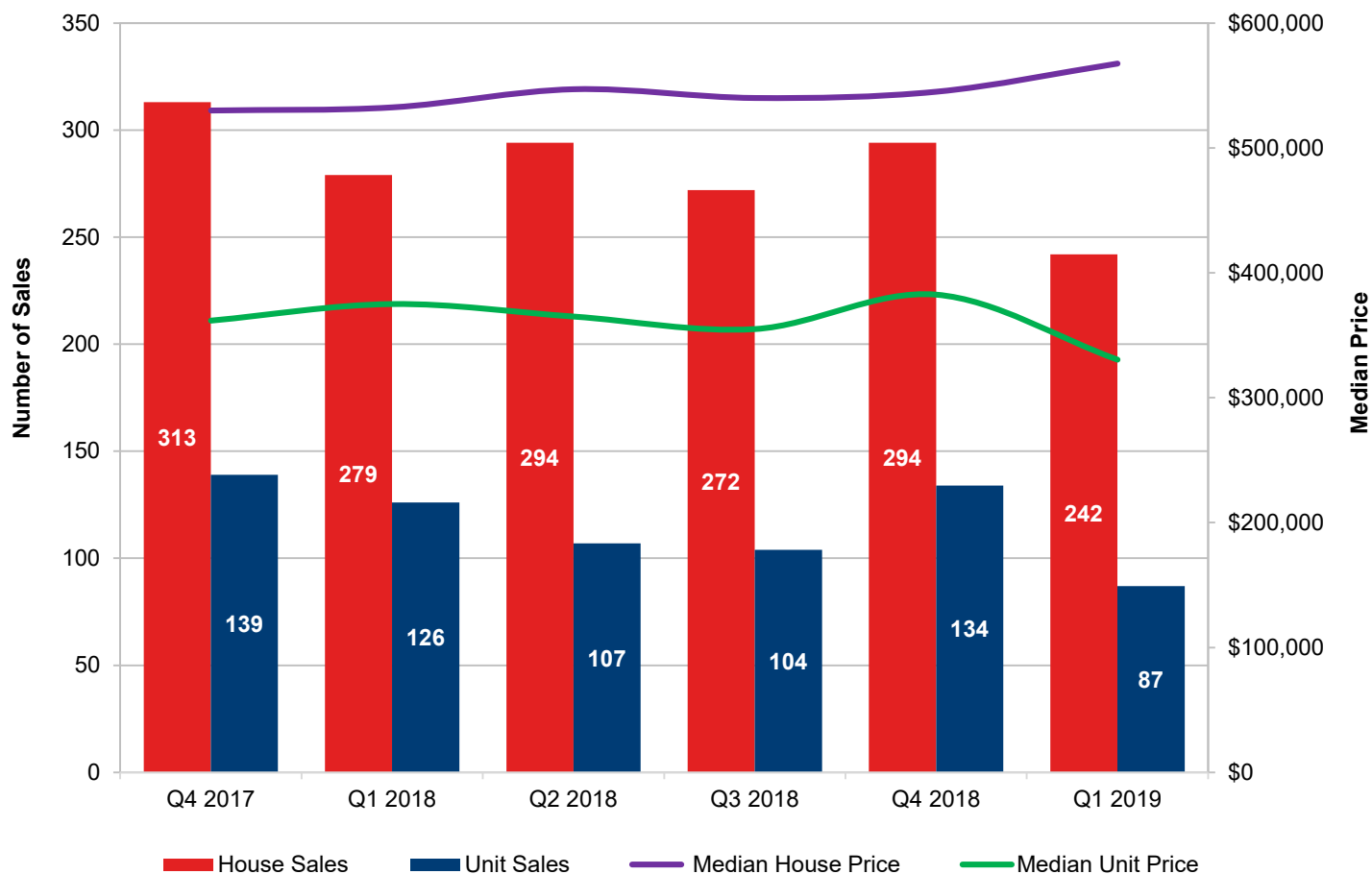
KEY HOUSE FACTS Q1 2019

Median Sale Price: \$567,500
Annual Growth: 6.6%*
Average Days on Market: 109
% Change Between First Listed Price and Sold Price: -4.9%

KEY UNIT FACTS Q1 2019

Median Sale Price: \$330,550
Annual Growth: -11.9%*
Average Days on Market: 104
% Change Between First Listed Price and Sold Price: -5.9%

SALES AND MEDIAN PRICES**

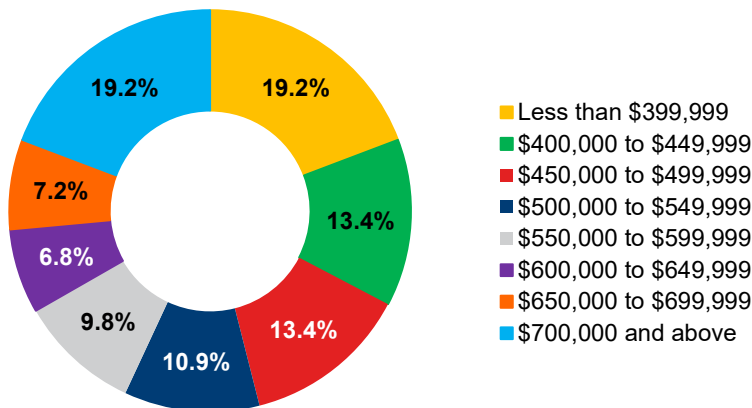


*Annual growth represents price growth for property transactions between Q1 2018 to Q1 2019 (inclusive).

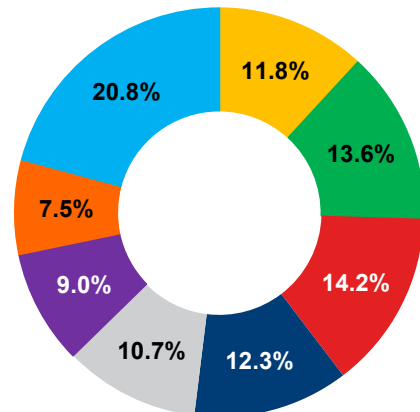
**Coffs Harbour market data and key indicators encapsulates aggregate property market conditions in the Coffs Harbour LGA.
Source: APM Pricefinder, realestate.com.au, SQM Research. © Copyright PRDnationwide 2019.

SALES PRICE POINT COMPARATIVE ANALYSIS

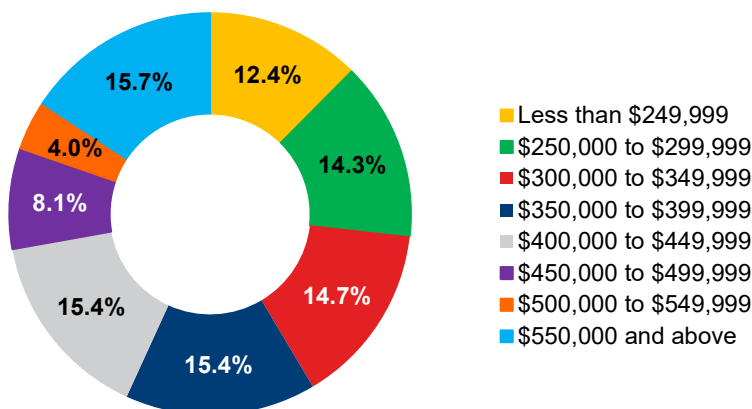
HOUSE PRICE POINT 2017



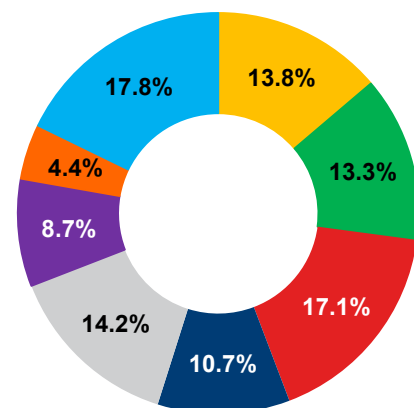
HOUSE PRICE POINT 2018



UNIT PRICE POINT 2017



UNIT PRICE POINT 2018



KEY IMPLICATIONS - HOUSES

Sales price point for the Coffs Harbour* housing market has remained relatively stable between 2017-2018, with a few minor changes in certain price points. This is good news for those wanting to enter the Coffs Harbour* market, as there is a property for every budget.

A shift occurred in the highest price bracket of \$700K and above, increasing from 19.2% in 2017 to 20.8% in 2018. The upper-mid pricing of \$600-\$650K also increased in sales proportion, from 6.8% in 2017 to 9.0% in 2018. This is not surprising due to the 6.6% median price growth between Q1 2018 – Q1 2019. Those seeking affordable options need to act fast, as opportunities under \$400K has decreased, from 19.2% in 2017 to 11.8% in 2018.

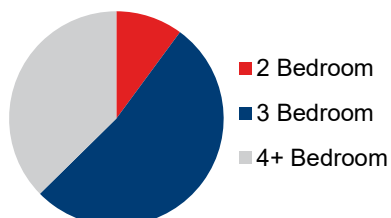
KEY IMPLICATIONS - UNITS

Sales price point trends for the Coffs Harbour* unit market mirrors the housing market, in the sense that there is stability in the proportion of sales within each price point. This brings comfort to those wanting to enter the market, as there is a unit to suit every budget.

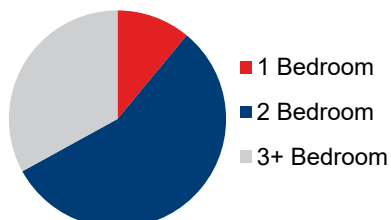
In contrast to the housing market, the most notable shifts for unit market can be seen in the mid-range price point of \$300-\$450K, decreasing from a total of 45.5% of sales in 2017 to 42.0% in 2018. This is not surprising as there was a -11.9% softening in median price between Q1 2018 – Q1 2019. Those looking for affordable options of less than \$300K now have more opportunities, increasing from a total of 26.7% in 2017 to 27.1% in 2018.

INVESTMENT ANALYSIS

HOUSE



UNIT



KEY HOUSE FACTS Q1 2019

Median Rent Price: \$465 per week
Rental Yield: 4.3%
Average Days on Market: 20
Bedroom Breakdown:
2 Bed: 10%, 3 Bed: 52%, 4+ Bed: 37%

KEY UNIT FACTS Q1 2019

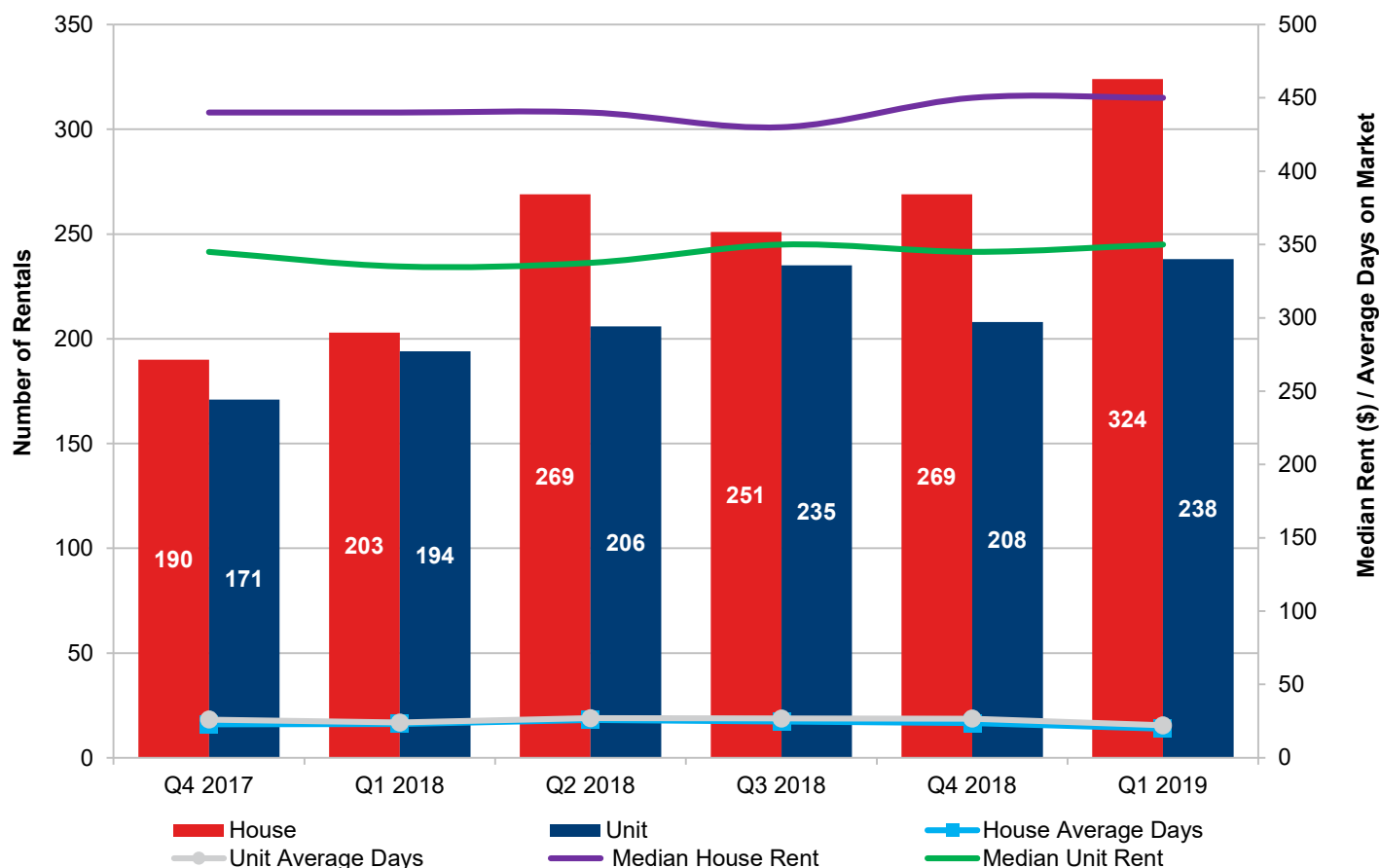
Median Rent Price: \$350 per week
Rental Yield: 5.3%
Average Days on Market: 22
Bedroom Breakdown:
1 Bed: 11%, 2 Bed: 56%, 3+ Bed: 33%

KEY COMMENTS

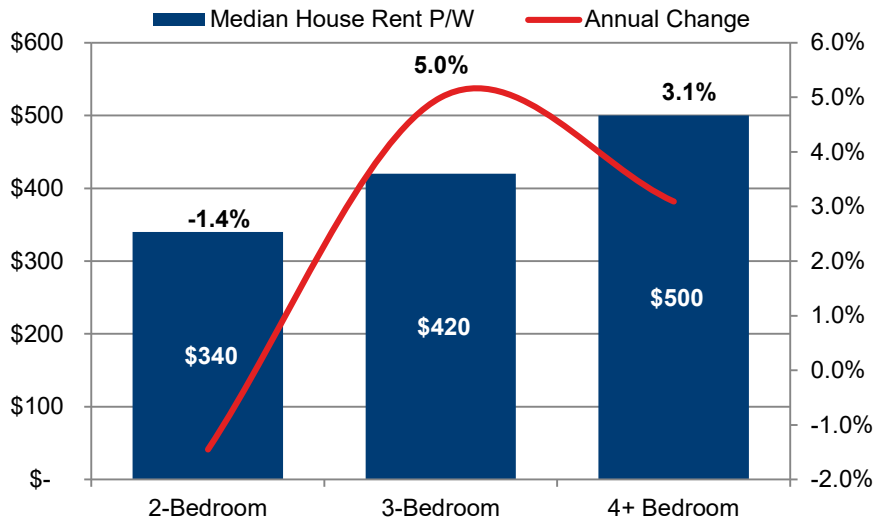
The Coffs Harbour* rental market is performing well for investors, with median house rent increasing by 5.7% to \$465 per week between Q1 2018-Q1 2019. In this time the number of houses rented increased by 59.6%, indicating a price increase was not due to an undersupply – rather there is high demand for house rentals. The same pattern can be seen for unit rentals, whereby median price grew by 4.5% to \$350 per week and the number rented grew by 22.7%. This also suggest there is room for more rental properties in the market, thus with a lower sales entry price now is an ideal time for first time investors to enter the market.



MEDIAN RENT AND AVERAGE DAYS ON THE MARKET*



RENTAL PERFORMANCE 2018*



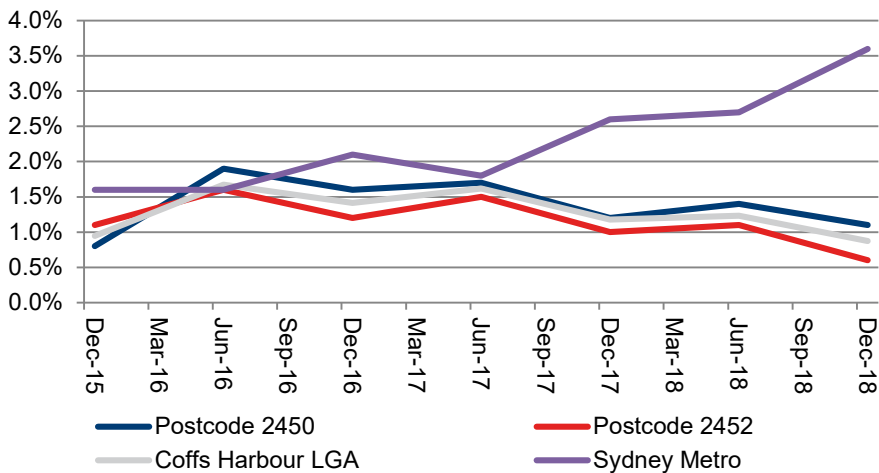
KEY COMMENTS

Rental yield in Coffs Harbour* was at 4.3% (house) and 5.3% (units) in December 2018. This represented a stable return compared to June 2018 rental yields, and continues to be at a higher level than Sydney Metro.

3 bedroom houses provide the highest annual median rent growth, of 5.0%.

Vacancy rates in Coffs Harbour* was 0.9% in December 2018, the lowest since 2015, and indicating almost full occupancy of rental properties. Coffs Harbour* vacancy rates are declining rapidly, in contrast to Sydney Metro's incline. This suggest a healthier rental demand in Coffs Harbour*.

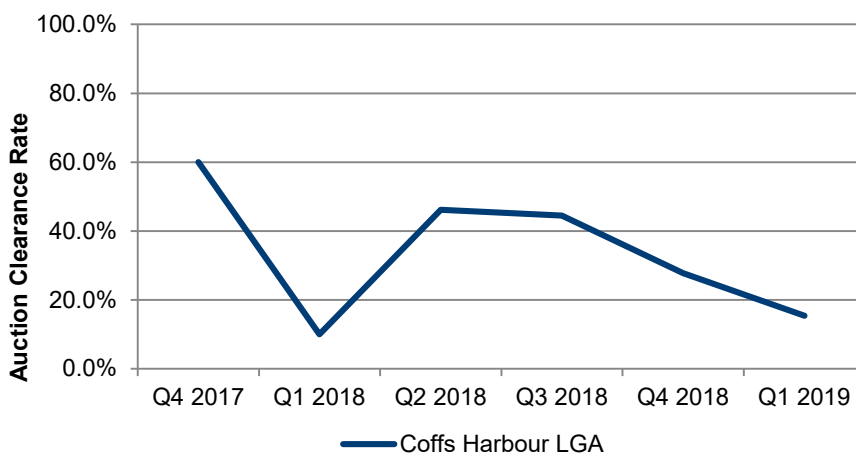
VACANCY RATES 2018



RENTAL YIELD 2018

Suburb/ Postcode/ LGA	House Rental Yield	Unit Rental Yield
Postcode 2450	3.5%	5.6%
Postcode 2452	4.2%	4.3%
Coffs Harbour LGA	4.3%	5.3%
Sydney Metro	2.9%	3.8%

AUCTION CLEARANCE RATES 2019**



Q1 19 COMPARISON

Suburb/ Postcode/ LGA	Auction Clearance Rate
Coffs Harbour LGA**	15.4%
Sydney Metro	57.8%

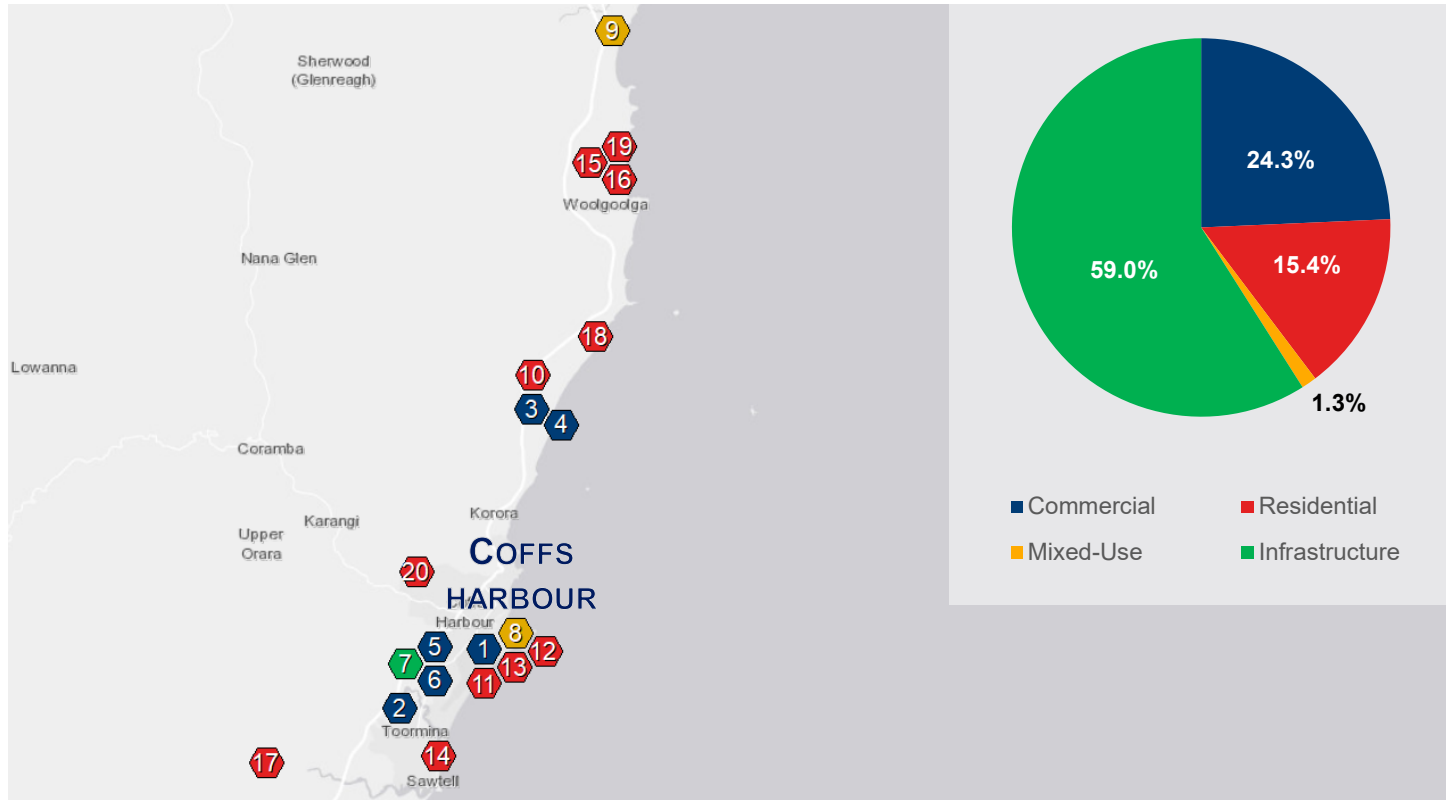
*Rental performance graph represents aggregate house median rent prices in the Coffs Harbour LGA. Annual change is a comparison between 2017 and 2018 median rent figures.

**Auction Clearance rates for Coffs Harbour are for all residential auctions held in the Coffs Harbour LGA.

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

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

PROJECT DEVELOPMENT MAP 1st HALF 2019*



Location	Project**	Type	Estimated Value***	Commence Date****
1	Coffs Central - Hotel	Commercial	\$20,100,000	11/03/2019
2	Marian Grove - Stage 7	Commercial	\$19,500,000	11/03/2019
3	Moonee Beach Road Seniors Living Units	Commercial	\$4,300,000	11/06/2019
4	Moonee Marketplace	Commercial	\$3,500,000	29/04/2019
5	Pacific Highway & Hurley Drive Motor Showroom	Commercial	\$1,200,000	07/06/2019
6	Bunnings Coffs Harbour	Commercial	\$900,000	17/04/2019
7	Coffs Harbour Hospital	Infrastructure	\$120,199,000	22/04/2019
8	Mildura & Orlando Streets Shop Top Housing (10 Apartments)	Mixed-Use	\$1,850,000	18/06/2019
9	Tasman Street Shop Top Housing (3 Apartments)	Mixed-Use	\$750,000	27/04/2019
10	Moonee Parklands Subdivision (159 Lots)	Residential	\$10,000,000	22/04/2019
11	Dalley Street Apartments (16 Apartments)	Residential	\$5,000,000	26/05/2019
12	Moore Street Units (16 Units)	Residential	\$3,500,000	12/05/2019
13	Camperdown Street Apartments (7 Apartments)	Residential	\$3,000,000	13/06/2019
14	Mission Australia Housing Coffs Harbour (16 Dwellings)	Residential	\$2,782,000	04/02/2019
15	Solitary Way Multiple Dwellings	Residential	\$2,500,000	12/04/2019
16	Ocean Street Residential Development (2 Units, 1 Townhouse)	Residential	\$1,074,000	26/05/2019
17	North Bonville Road Residential Subdivision (23 Lots)	Residential	\$1,040,000	07/06/2019
18	Dammerel Crescent Townhouses (3 Townhouses)	Residential	\$950,000	18/06/2019
19	Beach Street Shop Top Housing (10 Units)	Residential	\$927,000	13/02/2019
20	Hampshire Close Dwellings (3 Dwellings)	Residential	\$608,000	04/06/2019

*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 Coffs Harbour LGA.

***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, Coffs Harbour City 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
- Demographic and target market Analysis
- Geographic information mapping
- Project Analysis including product and pricing recommendations
- Rental and investment return analysis

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