



**Hervey Bay Area
Property Factsheet
1st Half 2019**





MARKET CONDITIONS***

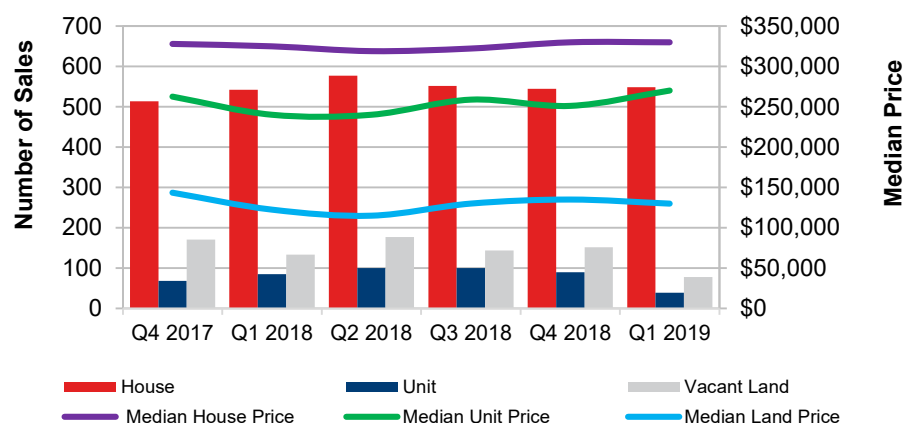
Hervey Bay*, which for this research factsheet is represented by all suburbs in the postcode 4655, recorded a median house price of \$363,000 and \$270,000 for units in Q1 2019. These figures represented an annual (Q1 2018- Q1 2019) price growth of 3.7% (house) and 4.5% (units). Compared to the *Hervey Bay* 2nd half 2018 Research Factsheet*, which reported an annual (Q3 2017- Q3 2018) median price change of 7.8% (house) and -0.4% (units), houses in Hervey Bay* have become more affordable while units have strengthened in value.

In comparison, Fraser Coast Regional Local Government Area (LGA) recorded a lower median house price of \$330,000 in Q1 2019, signifying a relatively stable market. Median unit price in Fraser Coast Regional Local Government Area (LGA) were at \$270,000 in Q1 2019, with an annual price strengthening of 5.9%. This suggests that that the property market in Hervey Bay* reflect premium median sale prices and further capital growth potentials when compared to the LGA.

Average vendor discounting remained relatively stable for houses over the past 12 months to Q1 2019, at -5.2%. This creates an ideal time for buyers to continue to benefit from discounts towards their property purchase. On the other hand, average vendor discounting for units has tightened, from -5.2% in Q1 2018 to -4.6% in Q1 2019, which suggests that buyers are willing to offer closer to the first list asking price. This indicates an ideal time for unit sellers, to capitalize on lower discounts and 4.5% capital growth on median price.

Over the past 12 months to Q1 2019 median house rental price recorded an annual strengthening of 1.4% to \$355 per week, whereas median unit rental price remained stable at \$300 per week. Investors are currently benefiting from low average days on the market, for both houses (19 days) and units (20 days). Vacancy rates in Hervey Bay* have declined from 2.5% (June 2018) to 1.7% (December 2018). Further, investors are benefiting from high rental returns for house (5.0%) and units (5.8%).

FRASER COAST REGIONAL GROWTH



OVERVIEW

The City of Hervey Bay is located approx. 289km from the Brisbane CBD. There were no auction sales in Q1 2019, which indicates a preference for private treaty sales. That said previous auction sales over the past six quarters have indicated a sustainable level of auction clearance rates in the Hervey Bay* area, averaging at 22.7%. This is higher than the Fraser Coast LGA average of 16.6%,

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

FUTURE DEVELOPMENTS**

Hervey Bay* is set to invest approx. \$82.8M of future developments that are scheduled for construction in the 1st Half of 2019. Majority of the development value is being spent on commercial projects (\$57.7M or 69.6%), followed by residential (\$23.1M or 27.9%), and Infrastructure (\$2.0M or 2.5%).

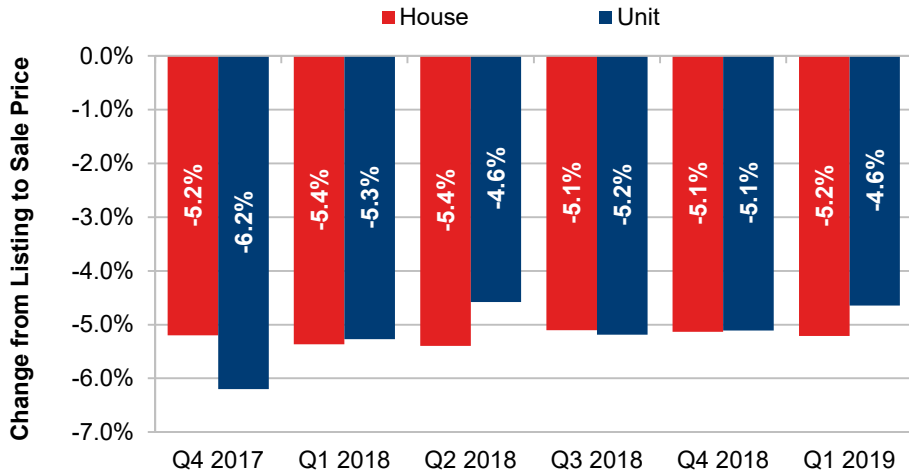
A focus on commercial projects is key for Hervey Bay* as it stimulates economic activity and create local jobs, resulting in spill-over benefits to the property market. Significant commercial project due to commence in Hervey Bay* in the 1st Half of 2019 are the Urangan Commercial Centre (\$15.0M) and The Anchorage Urangan (\$15.0M).

Examples of key infrastructure projects include: Airport Avion Development Pavement (\$750K) and Boat Harbour Dr Pavement (\$400K), both of which located in Urangan. This will improve liveability aspects for current residents.

A total of 51 units and 244 Lots are planned for Hervey Bay* in the 1st Half 2019. Examples of residential projects include: Madsen & Chapel Road Residential Subdivisions (\$6.6M, 146 Lots), Boat Harbour Drive units (\$5.0M, 28 Units) and Parklands at Bayridge Final Stage (\$3.3M, 27 Lots).

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

AVERAGE VENDOR DISCOUNT*



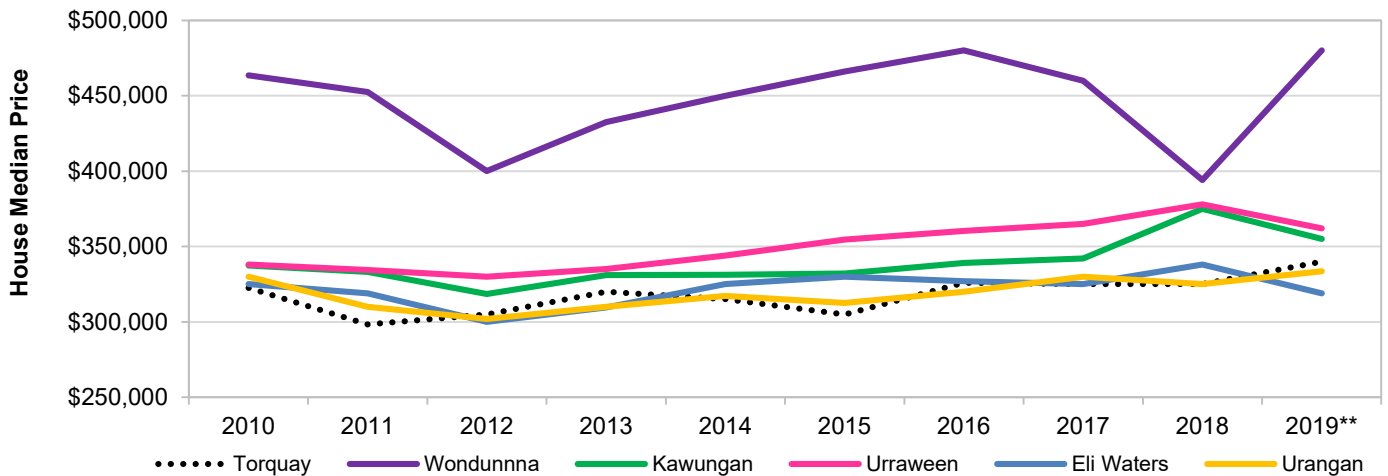
AVERAGE VENDOR DISCOUNT

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.

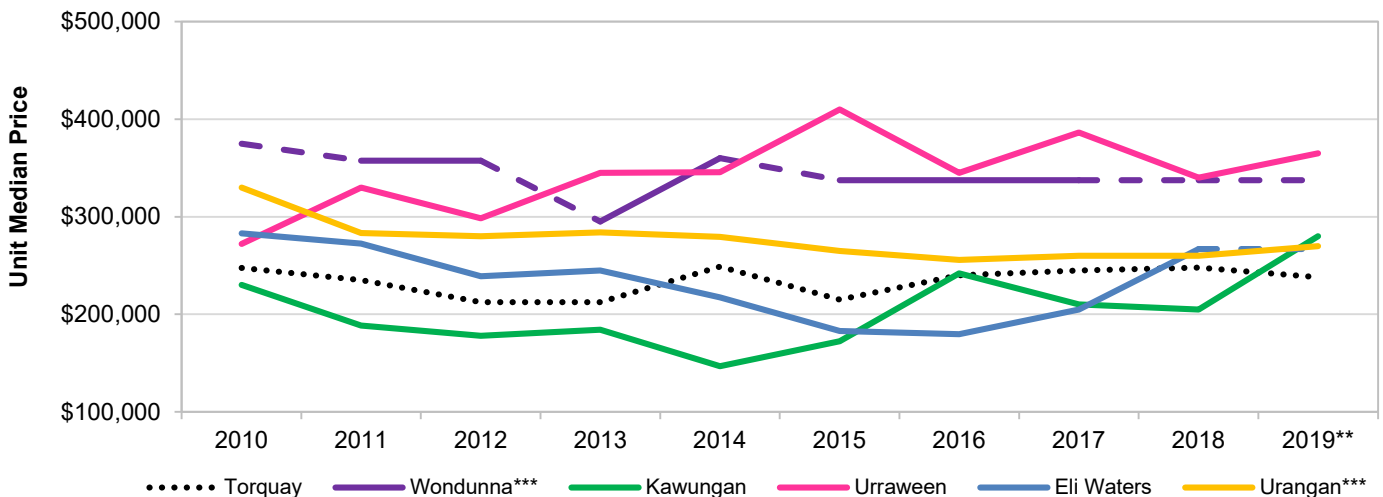
MARKET COMPARISON GRAPH

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 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



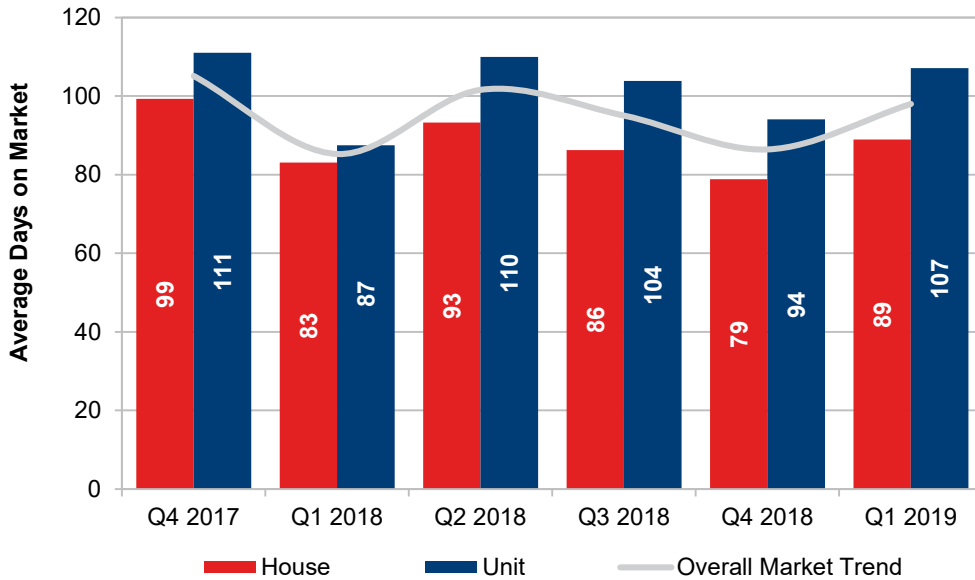
*Hervey Bay market data and key indicators encapsulates aggregate property market conditions in the following suburbs in postcode 4655.

**2019 data is representative of sales up to and inclusive of 31st March 2019, or end of Q1 2019.

***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 Pricefinder. © Copyright PRDnationwide 2019.

AVERAGE NUMBER OF DAYS ON THE MARKET*



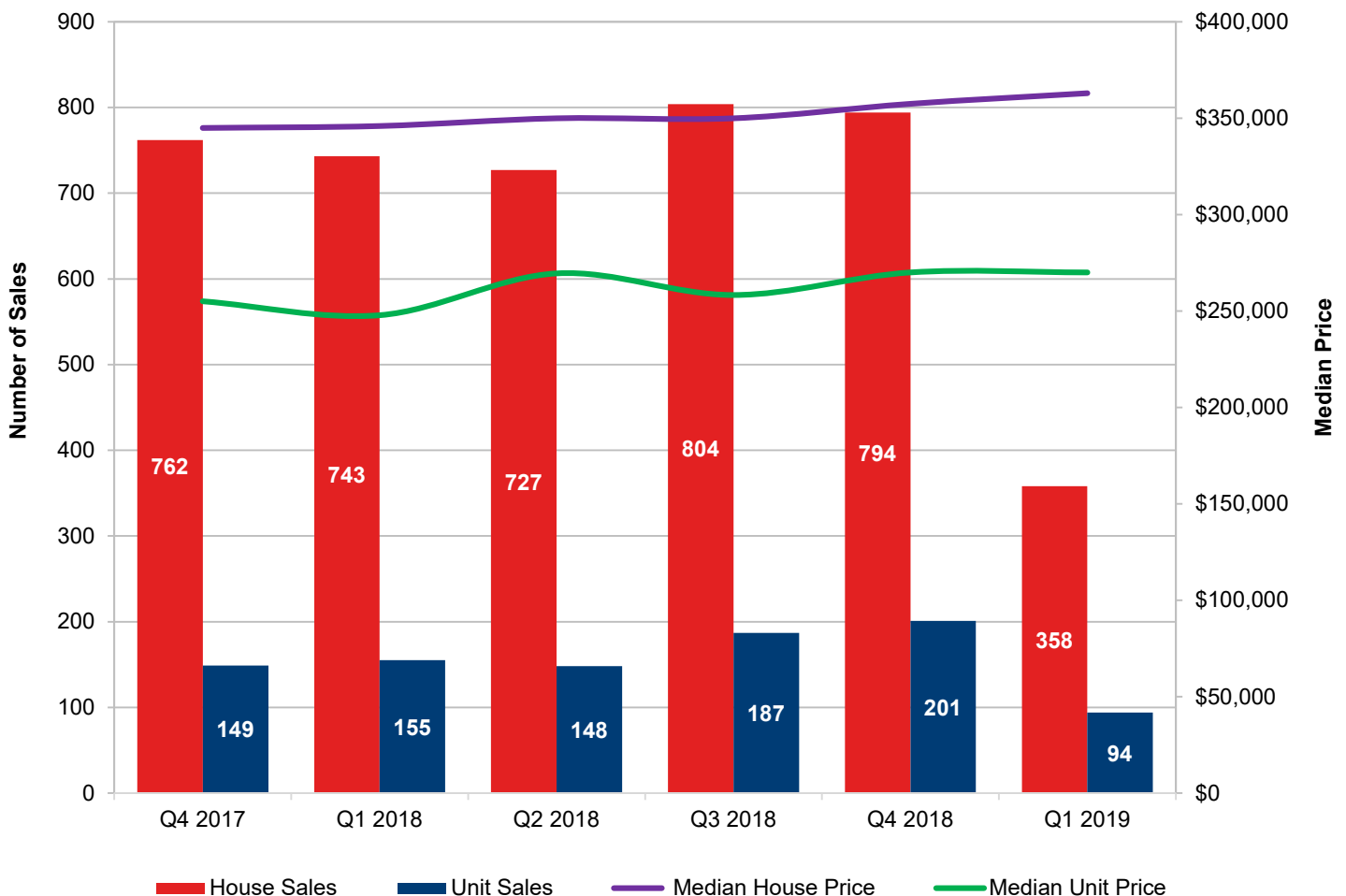
HOUSE KEY FACTS Q1 2019

Median Sale Price: \$363,000
 Annual Growth: 3.7%***
 Average Days on Market: 89
 % Change between First Listed Price and Sold Price: -5.2%

UNIT KEY FACTS Q1 2019

Median Sale Price: \$270,000
 Annual Growth: 4.5%***
 Average Days on Market: 107
 % Change between First Listed Price and Sold Price: -4.6%

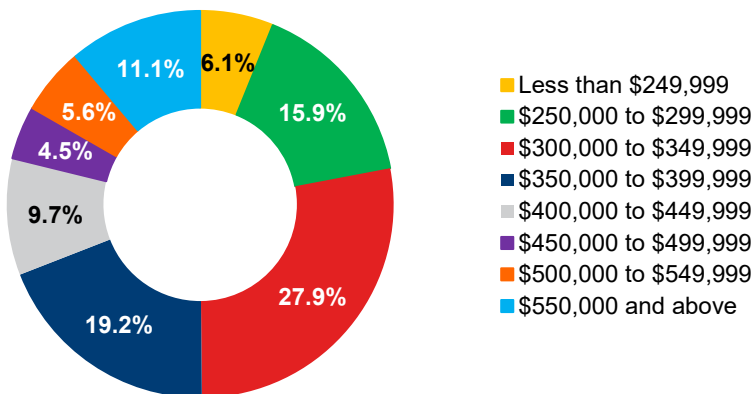
SALES AND MEDIAN PRICES*



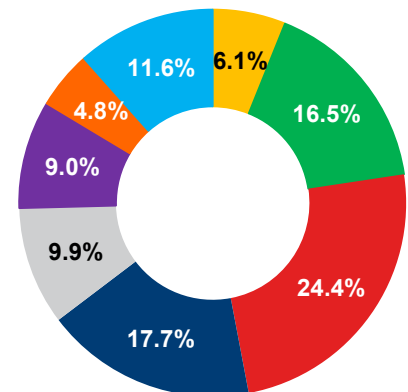
*Hervey Bay market data and key indicators encapsulates aggregate property market conditions in the following suburbs in postcode 4655.
 **Annual growth represents price growth for property transactions between Q1 2018 to Q1 2019 (inclusive).
 Source: APM Pricerfinder, realestate.com.au, SQM Research. © Copyright PRDnationwide 2019.

SALES PRICE POINT COMPARATIVE ANALYSIS*

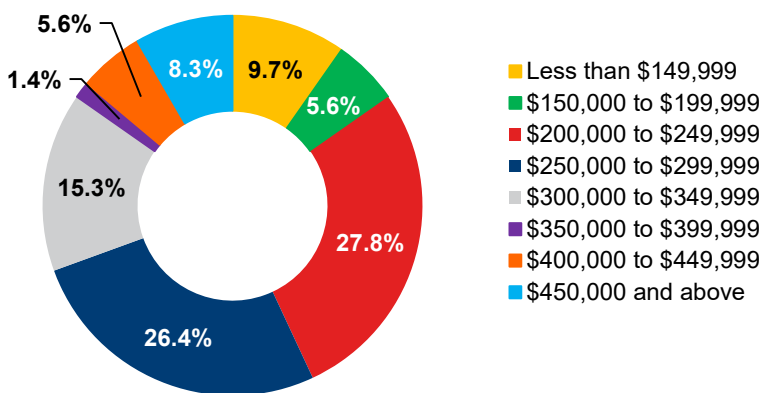
HOUSE PRICE POINT 2017



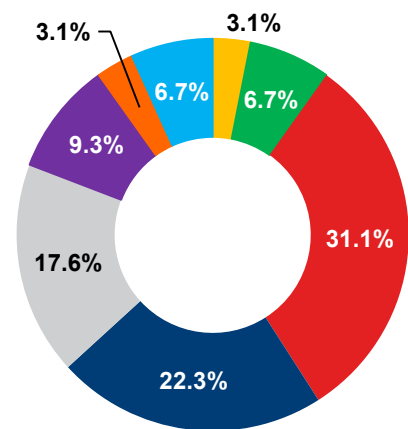
HOUSE PRICE POINT 2018



UNIT PRICE POINT 2017



UNIT PRICE POINT 2018



KEY IMPLICATIONS - HOUSE

The Hervey Bay* housing market has remained relatively stable in terms of sales price point pattern, with minor shifts within each price segment. In 2018, the highest proportion of sales activity was within the lower price segment of \$300K-\$349K price bracket. This price bracket has decreased in sales activity from 27.9% in 2017 to 24.4% in 2018.

The most notable shift is seen in the \$450-\$500K price bracket, increasing from 4.5% in 2017 to 9.0% in 2018, which reflects the 3.7% growth in median price over the past 12 months to Q1 2019. The level of affordable options remained stable between 2017-2018, providing comfort to first home buyers wanting to enter the market.

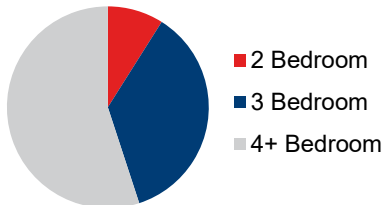
KEY IMPLICATIONS - UNIT

The highest proportion is unit sales activity recorded in 2018 was within the price segment of \$200K-\$249K. This price bracket has increased in sales activity from 27.8% in 2017 to 31.1% in 2018. This further confirms a high first home buyer activity within the lower price segments.

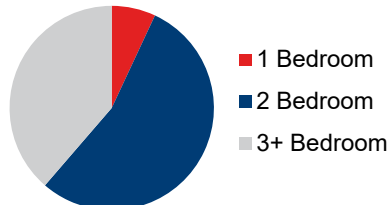
The upper price bracket of \$450K and above has decreased in sales activity, from 8.3% in 2017 to 6.7% in 2018. That said units priced between \$350-\$400K have seen a significant increase in activity, from 1.4% in 2017 to 9.3% in 2018. Those looking for affordable options need to act fast however, as the most affordable price bracket for less than \$150K have shrunk significantly from 9.7% in 2017 to 3.1% in 2018.

INVESTMENT ANALYSIS

HOUSE



UNIT



HOUSE KEY FACTS Q1 2019

Median Rent Price: \$355 per week
Rental Yield: 5.0%
Average Days on Market: 19
Bedroom Breakdown:
 2 Bed: 9%, 3 Bed: 36%, 4+ Bed: 55%

UNIT KEY FACTS Q1 2019

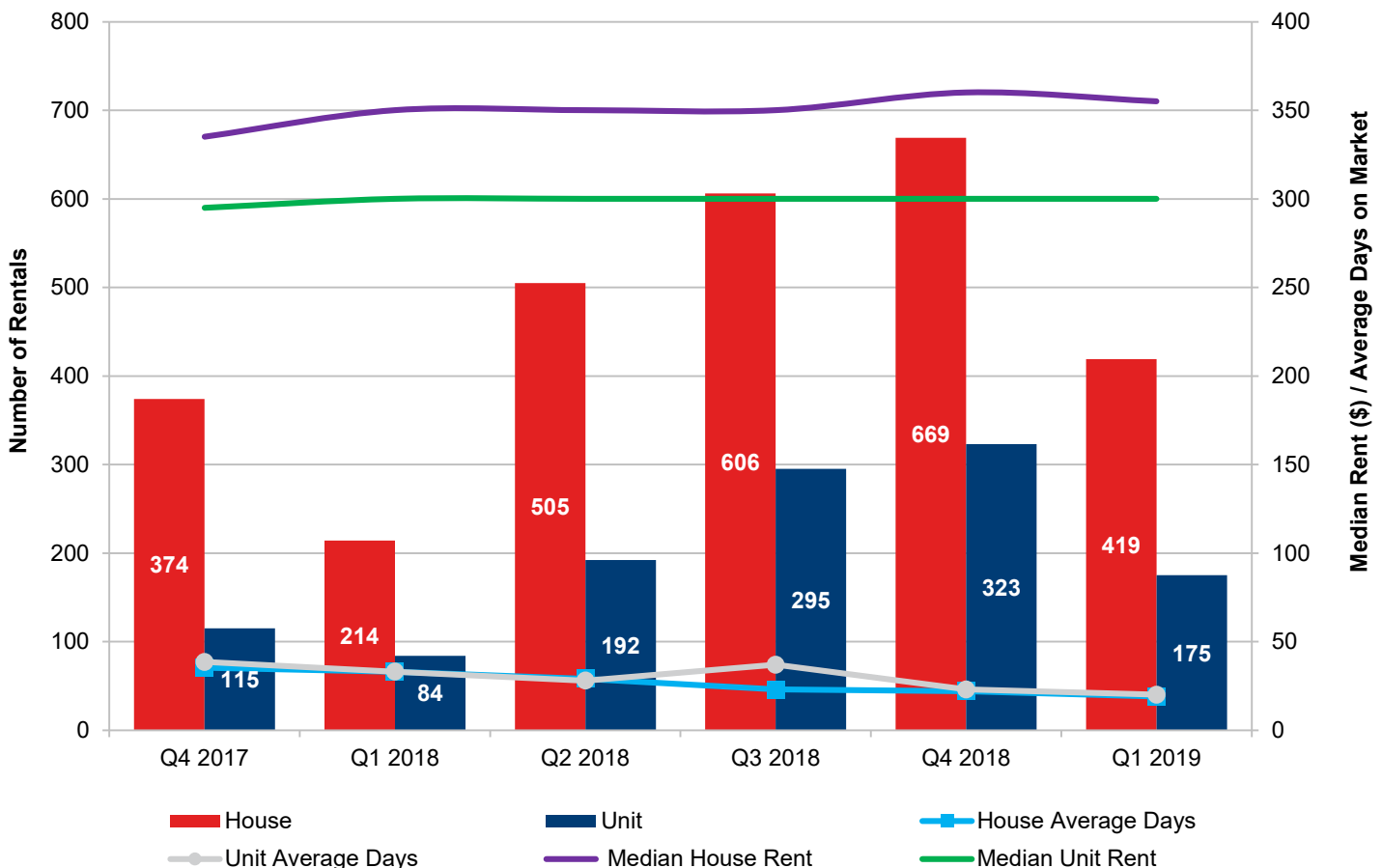
Median Rent Price: \$300 per week
Rental Yield: 5.8%
Average Days on Market: 20
Bedroom Breakdown:
 1 Bed: 7%, 2 Bed: 54%, 3+ Bed: 39%

KEY COMMENTS

Median house rents have strengthened over the past 12 months to Q1 2019 by 1.4% to \$355 p.w respectively, whilst median unit rents have remained stable at \$300 p.w. During this timeframe the number of properties rented declined by -30.9% (house) and -40.7% (units), which suggest median rental price increase may be due to an undersupply in the market. Investors are benefiting from low average days on market for both house (19 days) and units (20 days), which provides quicker returns. Thus now is an ideal time for investors to enter the market, particularly as houses have become more affordable.

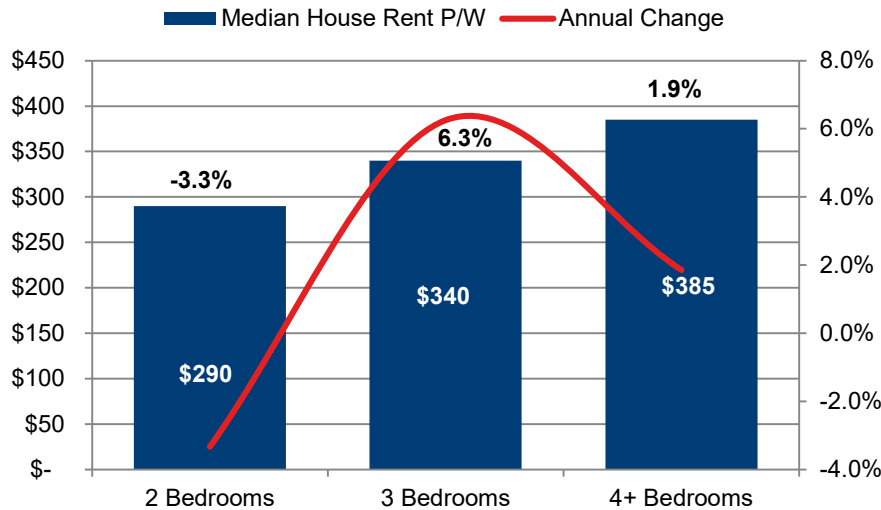


MEDIAN RENT AND AVERAGE DAYS ON THE MARKET*



*Disclaimer: Hervey Bay market data and key indicators encapsulates aggregate property market conditions in the following suburbs in postcode 4655. Source: APM Pricefinder, realestate.com.au, SQM Research. © Copyright PRDnationwide 2019.

RENTAL PERFORMANCE 2018*



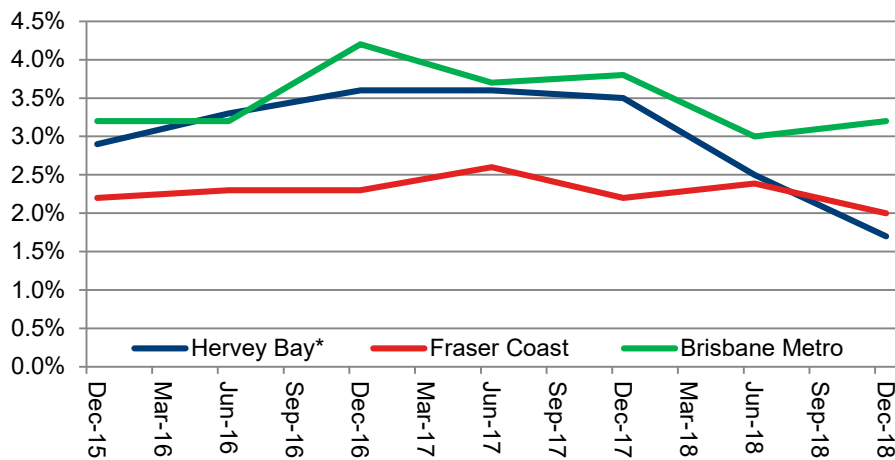
KEY COMMENTS

Rental returns in Hervey Bay* is strong, currently at 5.0% (house) and 5.8% (units) as of December 2018. This is above Fraser Coast LGA (5.0% house; 5.6% Units) and Brisbane Metro (3.8% house; 5.2% units).

3 bedroom houses still provided the highest annual rental growth, at 6.3%.

Vacancy rates in Hervey Bay* have decreased from 2.5% (June 2018) to 1.7% (December 2018). This is well below Fraser Coast LGA 2.0% and that of Brisbane Metro 3.2%. This suggests that rental demand in Hervey Bay* is heading towards a healthier market, making it an ideal time for investors to enter the market.

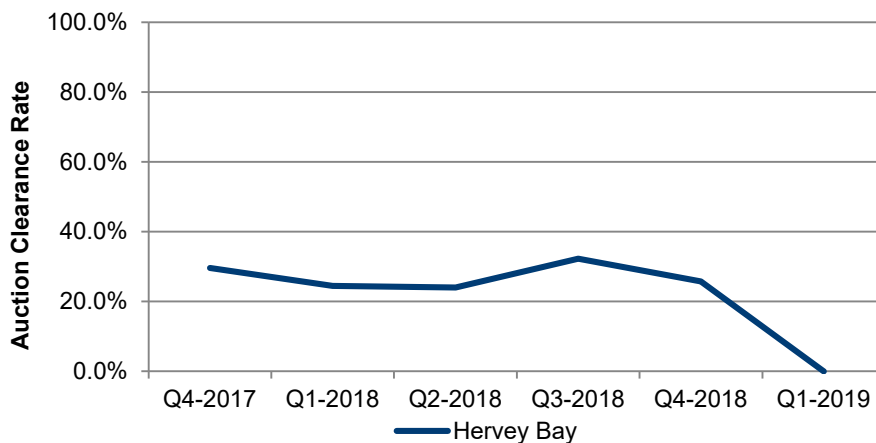
VACANCY RATES 2018



RENTAL YIELD 2018

Suburb/ Postcode/ LGA	House Rental Yield	Unit Rental Yield
Hervey Bay*	5.0%	5.8%
Fraser Coast Regional LGA	5.0%	5.6%
Brisbane Metro	3.8%	5.2%

AUCTION CLEARANCE RATES 2018



Q1 19 COMPARISON

Suburb/ Postcode/ LGA	Auction Clearance Rate
Hervey Bay*	N/A (i.e no auctions recorded)
Fraser Coast Regional LGA	16.6%
Brisbane Metro [^]	33.6%

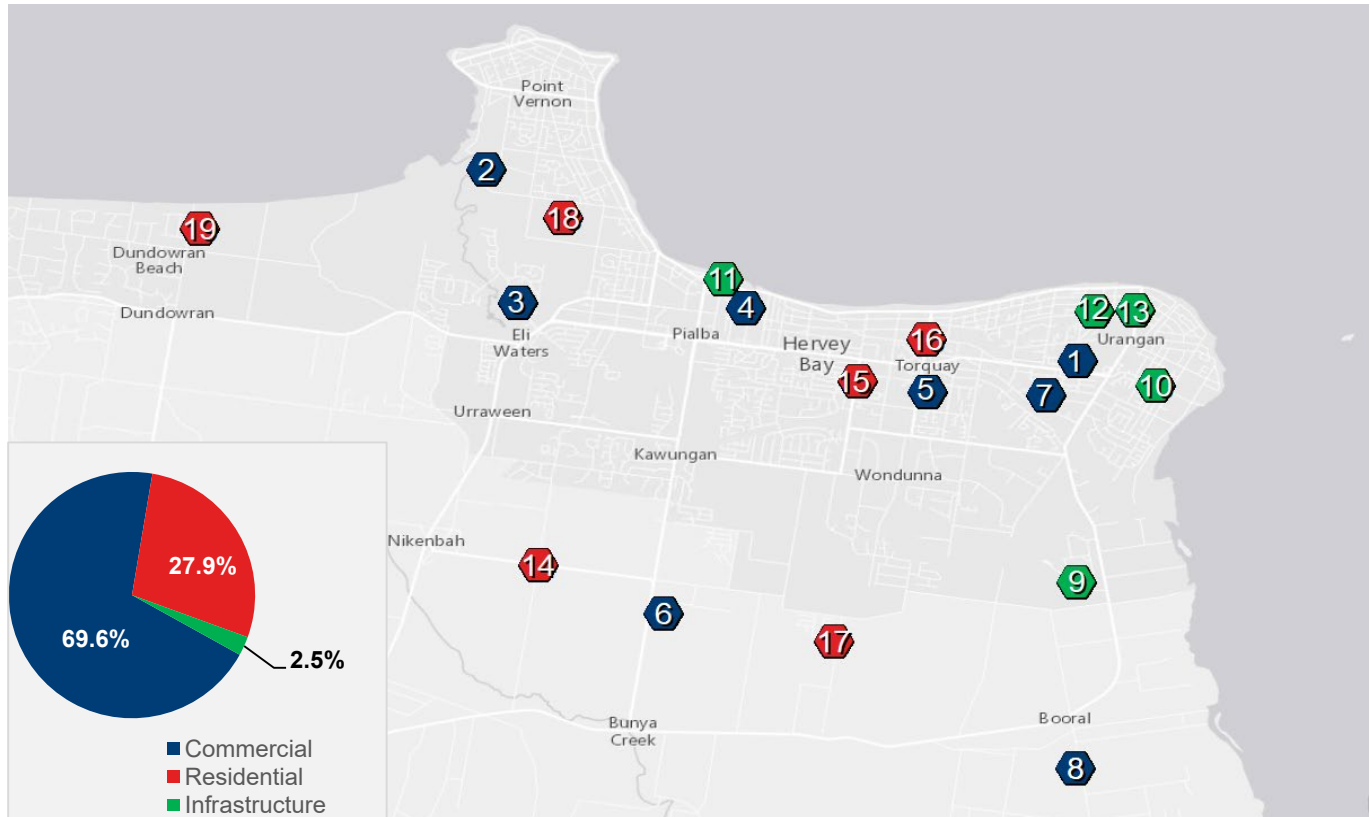
*Rental performance graph represents aggregate house median rent prices in the following suburbs in postcode 4655. Annual change is a comparison between 2017 and 2018 median rent figures.

**Auction Clearance rates for Hervey Bay are for all residential auctions held in the suburbs in the postcode 4655.

[^]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	Urangan Commercial Centre	Commercial	\$15,000,000	08/04/2019
2	The Anchorage Urangan	Commercial	\$15,000,000	10/06/2019
3	Maryborough Hervey Bay Road Medical Centre	Commercial	\$10,000,000	18/06/2019
4	The Avenue Corporate Complex	Commercial	\$10,000,000	27/05/2019
5	Torquay Commercial Development	Commercial	\$6,000,000	15/04/2019
6	Freedom Fuel Service Station Pialba	Commercial	\$1,200,000	30/06/2019
7	Urangan Medical Centre	Commercial	\$250,000	26/05/2019
8	Booral Road Outdoor Sales Yard	Commercial	\$250,000	05/06/2019
9	Avion Development Project	Infrastructure	\$750,000	30/05/2019
10	Boat Harbour Drive Pavement	Infrastructure	\$400,000	21/01/2019
11	Pialba Precinct Lighting	Infrastructure	\$300,000	18/03/2019
12	Hervey Bay Botanical Gardens Orchid House	Infrastructure	\$300,000	01/05/2019
13	Esplanade Corridor Pathway	Infrastructure	\$300,000	28/06/2019
14	Madsen & Chapel Roads Residential Subdivision Stages 1a- (146 Lots)	Residential	\$6,600,000	07/06/2019
15	Boat Harbour Drive Units- (28 Units)	Residential	\$5,000,000	28/05/2019
16	Torquay Terrace & Bideford Street Units -(23 Units)	Residential	\$5,000,000	17/06/2019
17	Parklands at Bayridge- Final Stage (27 Lots)	Residential	\$3,300,000	Nov-2018
18	Martin Street Residential Subdivision Stages 1-2-(37 Lots)	Residential	\$1,700,000	31/01/2019
19	Sempfs Road Residential Subdivision-(34 Lots)	Residential	\$1,500,000	26/05/2019

*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 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 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.



With over 30 years experience and owning his own real estate business since 1998, Jim specialises in property sales, commercial sales and leasing. 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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