

Bargara and The Coast Market Update 1st Half 2020



OVERVIEW

In Q1 2020, Bargara and the Coastal area* recorded a median house price of \$394,000, and median unit price of \$278,000. This represents annual (Q1 2019 – Q1 2020) median price growth of 7.2% (houses) and a softening of -8.9% (units). Between Q1 2019 – Q1 2020 total sales increased, by 6.3% for houses (to 68 sales) and by 5.3% for units (to 20 sales). Bargara and the Coastal area* market is showing signs of resilience, particularly for houses, with real capital growth. There is now more affordable opportunities for potential unit buyers.

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

MARKET CONDITIONS

SALES MEDIAN PRICE Q1 2020



SALES AVERAGE DAYS ON MARKET Q1 2020



RENTAL MEDIAN PRICE Q1 2020

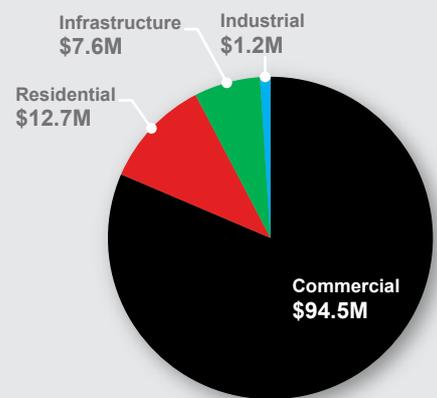


RENTAL AVERAGE DAYS ON MARKET Q1 2020



FUTURE DEVELOPMENTS

Bargara and the Coastal area* is set to see approximately **\$116.0M** worth of new projects commencing in the 1st half of 2020.



A large focus on commercial projects is ideal for Bargara and the Coastal area*, as it assists in stimulating a more vibrant economy through new business and improved services. This will create local job opportunities, with positive spill-over effect to the real estate market. New unit stock will cater to the current demand.

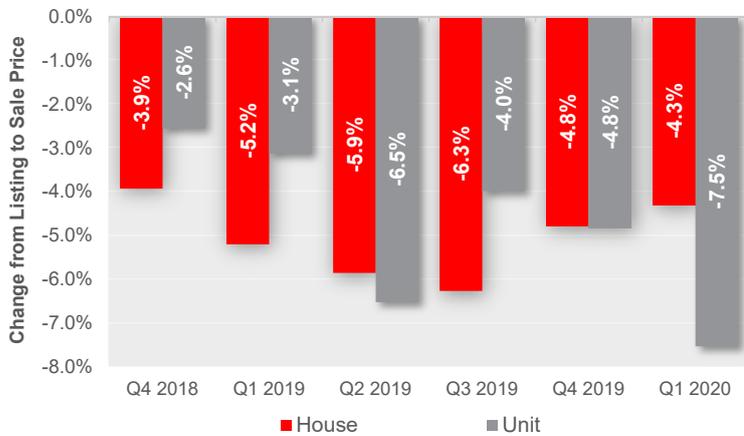
A total of \$94.5M commercial projects is planned for the 1st Half of 2020. This comprises of projects that will construct several aged care, hotel and sports club facilities. A key commercial project is River Springs Drive (\$50.0M). A main residential project is Marina Quay Units (\$3.6M), which will add total 12 luxury units to the market. Others include: Watsons Road Residential Subdivision (\$2.9M, 49 lots) and Branyan Drive Residential Subdivision (\$2.2M, 48 lots).



*Bargara and Coastal market data and key indicators encapsulates aggregate property market conditions within the suburbs of Bargara, Innes park, Elliott heads, Burnett heads and Coral Cove.
**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, Cordell Connect database. © Copyright PRD 2020.

AVERAGE VENDOR DISCOUNT* KEY COMMENTS

Average vendor discount reflects the average percentage difference between the first list price and final sold price. A lower percentage difference (closer to 0.0%) suggests that buyers are willing to purchase close to the first asking price of a property.

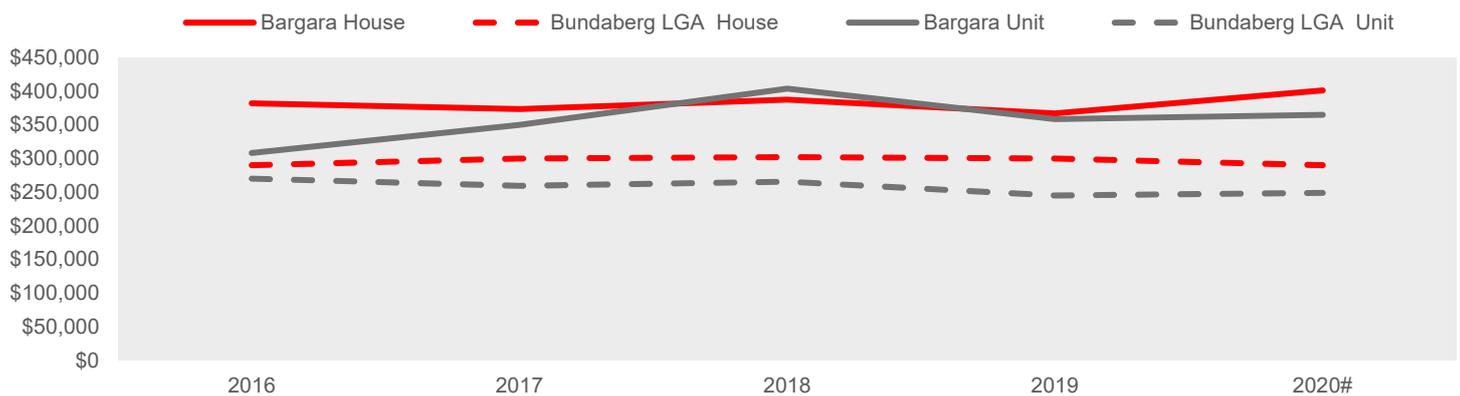


Average vendor discounting between Q1 2019 and Q1 2020 has tightened to -4.3% (houses), however has widened for units to -7.5%. Market conditions in Bargara and the Coastal area* have shifted to favouring vendors for houses, and buyers for units; which is indicative of the many opportunities within the market.

The suburb of Bargara has continued to record a premium market in comparison to the wider Bundaberg Local Government Area (LGA), in regards to median prices to both property types.

The dominant proportion of houses sold in Bargara and the Coastal area* across 2019[^] were in the lowest price bracket of less than \$349K (40.1%). There has been a similar trend for units sold (35.3%), being in the lowest price bracket of less than \$299K. Now is the time for buyers to enter market, whilst there is still ample opportunities for affordable housing stock.

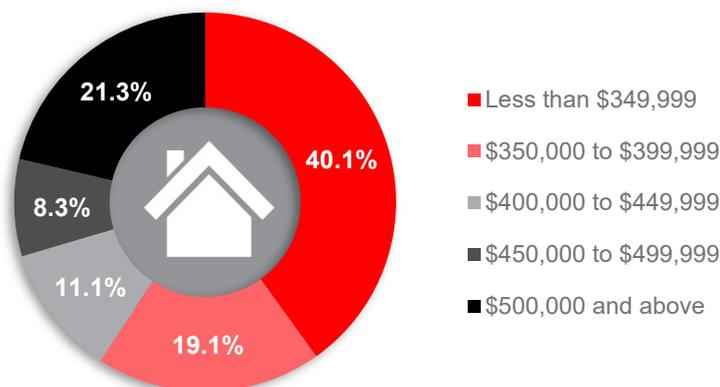
MARKET COMPARISON



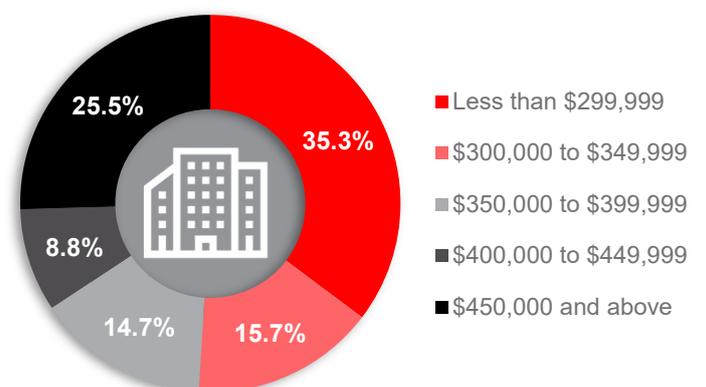
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Bargara.

PRICE BREAKDOWN 2019[^]

HOUSES SOLD



UNITS SOLD



RENTAL GROWTH 2019*

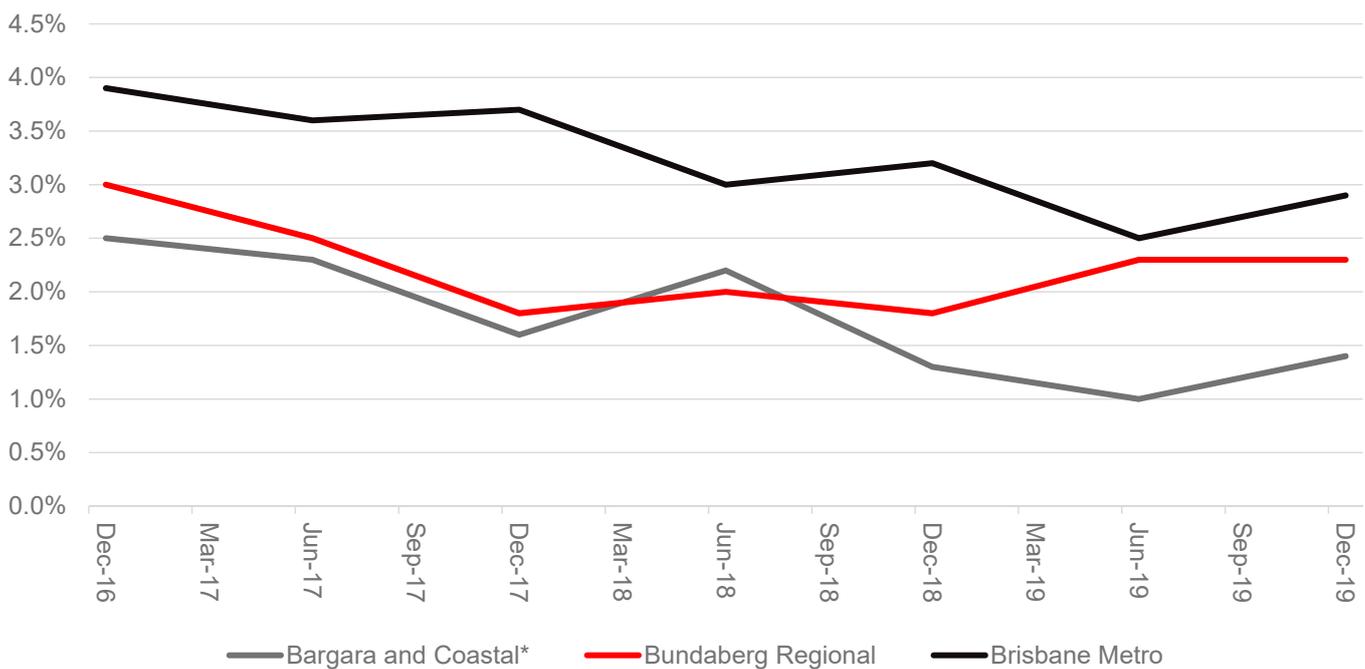
House rental yields in Bargara and the Coastal area* were recorded at 5.0% in December 2019. This is on par with the Bundaberg LGA (5.3%), which suggests that the house rental market is in a healthy position, despite a slight softening of -0.7% in median house rental price over the 12 months to Q1 2020.

4+ bedroom houses provided investors with +3.9% rental growth annually, achieving a median rent of \$395 per week.

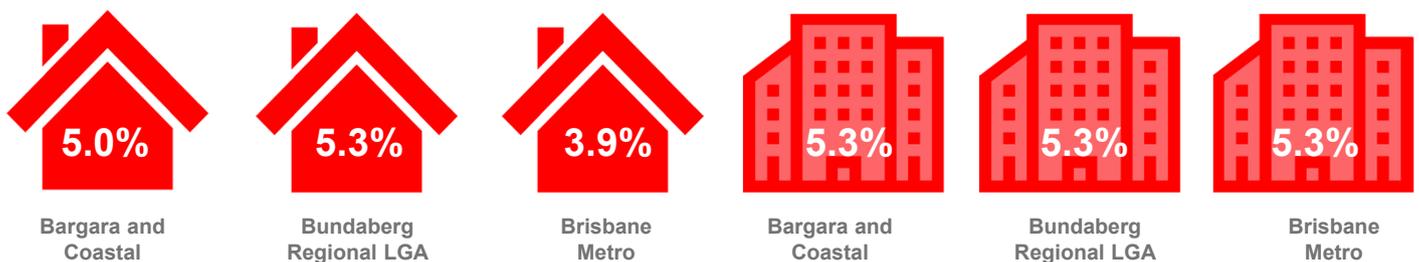
Bargara and the Coastal area* recorded a low vacancy rate of 1.4% in December 2019. This represents a declining trend a healthy rental market demand over the past 24 months, and remaining well below the Real Estate Institute of Australia's healthy benchmark of 3.0%. This should encourage investors to enter the market as there is high rental demand, thus a high chance to secure tenants relatively quickly.



RENTAL VACANCY RATES 2019



RENTAL YIELD 2019^



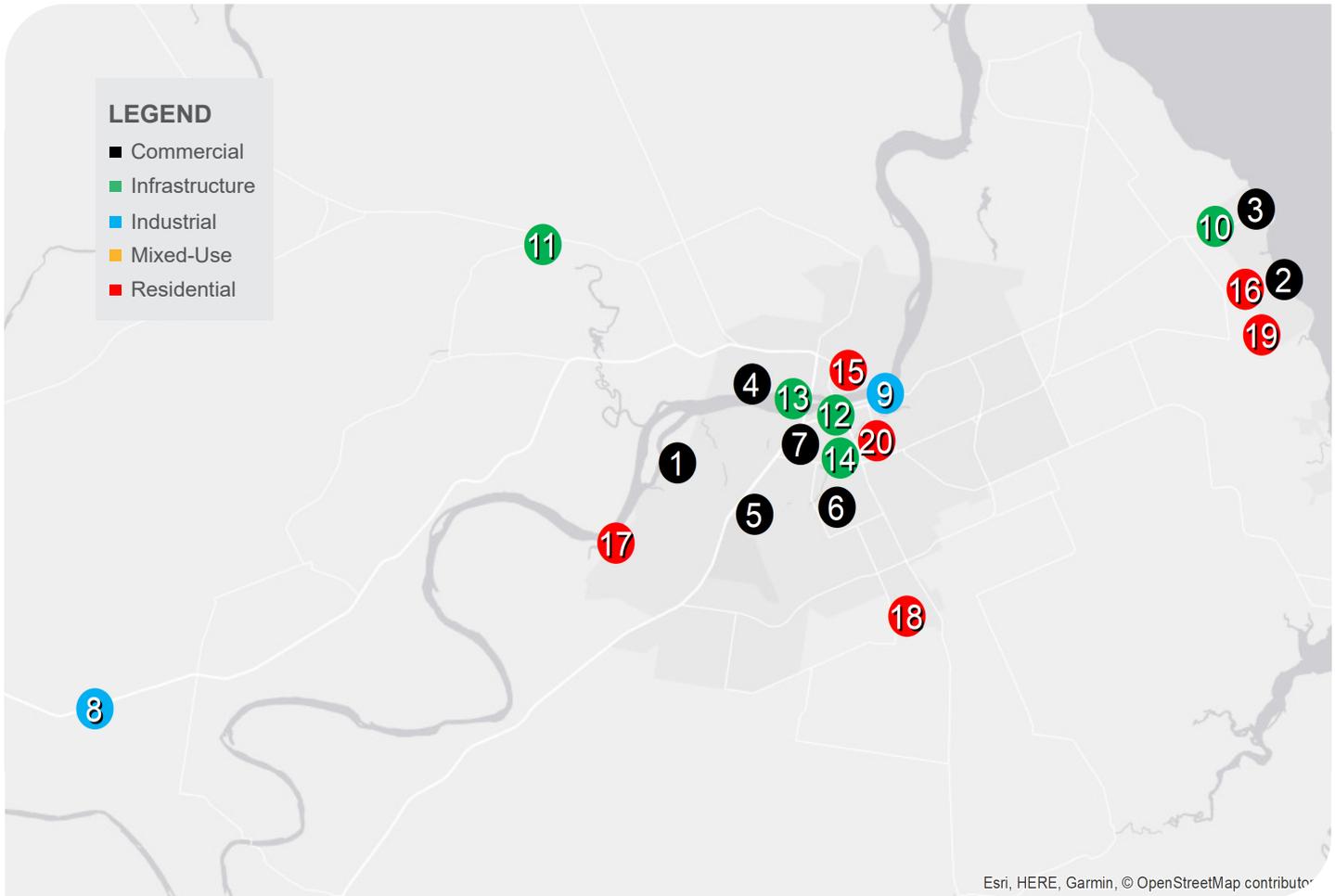
*Rental performance graph represents aggregate house median rent prices within the suburbs of Bargara, Innes park, Elliott heads, Burnett heads and Coral Cove.

Annual rental growth is a comparison between 2018 and 2019 house median rent figures.

^Rental yields shown are as reported at December 2019.

Source: APM Pricerfinder, SQM Research. © Copyright PRD 2020.

PROJECT DEVELOPMENT MAP 1ST HALF 2020*



Location	Project**	Type	Estimated Value***	Commence Date****
1	River Springs Drive Residential & Community Development	Commercial	\$50,000,000	31/03/2020
2	Bargara Carinity Aged Care Facility	Commercial	\$18,000,000	18/05/2020
3	Palms Plaza Hotel	Commercial	\$12,500,000	06/04/2020
4	Fairways Racf	Commercial	\$7,000,000	06/05/2020
5	Anaconda & Tenancies	Commercial	\$4,500,000	06/04/2020
6	The Waves Sports Club	Commercial	\$1,500,000	29/06/2020
7	Branyan Street Medical Centre	Commercial	\$1,000,000	01/02/2020
8	Lines & Gin Gin Roads Shed	Industrial	\$600,000	30/06/2020
9	Quay Street Workshop	Industrial	\$600,000	04/06/2020
10	Lady Musgrave Island Pontoon & Tourist Accommodation	Infrastructure	\$3,000,000	04/05/2020
11	Heales Road Depot	Infrastructure	\$1,700,000	15/01/2020
12	Bundaberg Regional Council Pathways Program 2019-2020	Infrastructure	\$1,000,000	10/02/2020
13	Bundaberg Regional Council Roadworks	Infrastructure	\$1,000,000	17/06/2020
14	Bundaberg Regional Council Pathway Program	Infrastructure	\$947,000	15/01/2020
15	Marina Quays- (12 Units)	Residential	\$3,600,000	18/05/2020
16	Watsons Road Residential Subdivision Stages 3 – 6- (49 Lots)	Residential	\$2,900,000	04/02/2020
17	Branyan Drive Residential Subdivision- (48 Lots)	Residential	\$2,200,000	11/05/2020
18	Langbeckers Road Residential Subdivision- (47 Lots)	Residential	\$2,100,000	08/03/2020
19	Wearing Road Residential Subdivision- (26 Lots)	Residential	\$1,200,000	01/02/2020
20	Targo Street Units- (4 Units)	Residential	\$660,000	08/06/2020

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

OUR KNOWLEDGE

Access to accurate and objective research is the foundation of all good property decisions.

OUR PEOPLE

Our research team is made up of highly qualified researchers who focus solely on property analysis.

OUR SERVICES

Our research services span over every suburb, LGA, and state within Australia; captured in a variety of standard and customised products.



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