

Hervey Bay Market Update 1st Half 2020



OVERVIEW

In Q1 2020, Hervey Bay* recorded a median house price of \$350,000, and median unit price of \$264,000. This represents annual (Q1 2019 – Q1 2020) median price softening of -0.6% for houses and -4.0% for units. Between Q1 2019 – Q1 2020 total sales declined, by -14.5% for houses (to 300 sales) and by -3.6% for units (to 81 sales). The Hervey Bay* property market shows resilience through marginal price softening. It is ideal for first home buyers and investors alike, as it provides both affordability and attractive rental yields.

	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

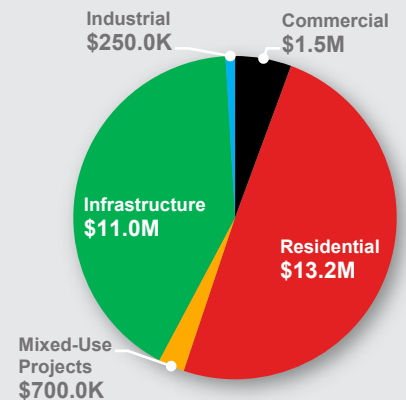


RENTAL AVERAGE DAYS ON MARKET Q1 2020



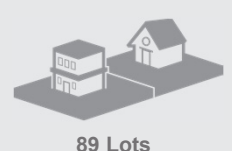
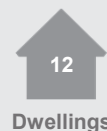
FUTURE DEVELOPMENTS

Hervey Bay* will see approximately **\$26.6M** worth of new projects commencing in the 1st half of 2020.



A diverse project development plan will stimulate economic growth and create local job opportunities, which will have positive a spill-over impact on the real estate market. New housing stock will assist with the current demand, ensuring an affordable market.

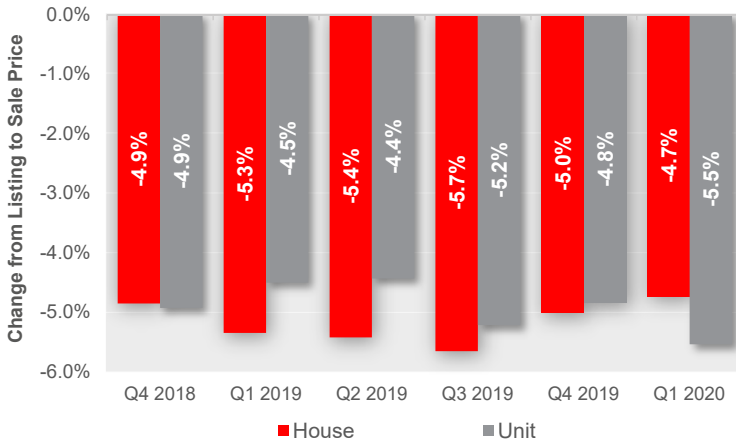
A main infrastructure project in the 1st half of 2020 is PQC 2 Minimum (\$5.0M), which will construct public houses. A total of \$13.2M of residential construction will add 2 units/apartments, 33 townhouses, 12 dwellings and 89 lots. A key residential project is the Torquay Terrace Townhouses (\$6.0M, 20 townhouses), set to be completed in June 2020.



*Hervey Bay data and key indicators represent market conditions in postcode 4655. **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 Pricefinder, 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.

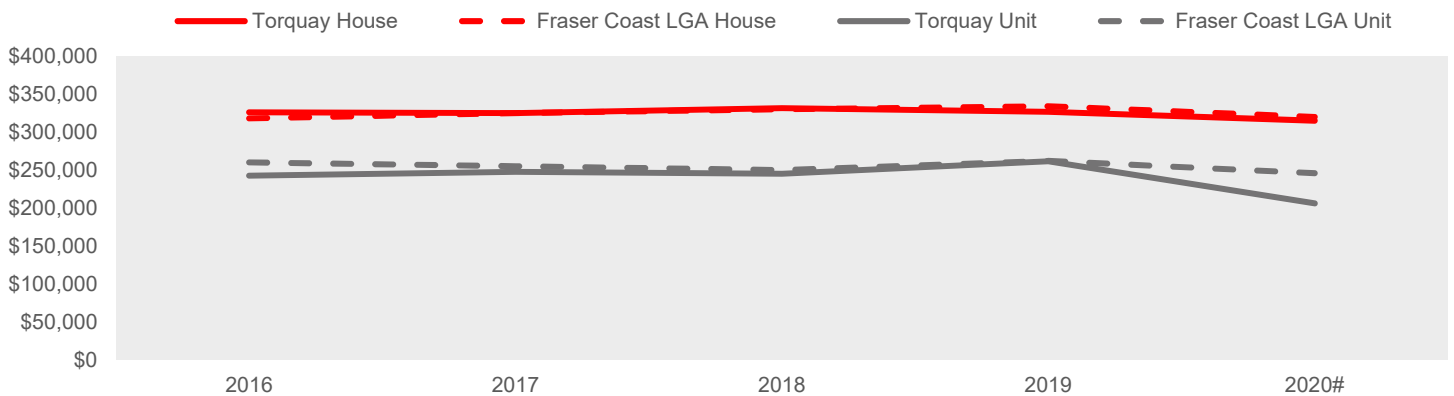


Average vendor discounting between Q1 2019 and Q1 2020 has tightened to -4.7% for houses but widened to -5.5% for units. There has been a large amount of negotiation activity for both property types, with house sellers being able to achieve closer to their first list price, creating a more conducive environment to sell in. Unit buyers are benefiting from higher discounts.

The suburb of Torquay has continued to present a more affordable market in comparison to the wider Fraser Coast Local Government Area (LGA), in both house and unit median prices.

The dominant proportion of houses sold in Hervey Bay* across 2019[^] were in the lowest price bracket of less than \$349K (45.4%). Units recorded similar buyer trend within a dominant mid-lower price segment of \$200K to \$249K (26.9%). Affordable options are still available and now is an ideal time to transact in the market.

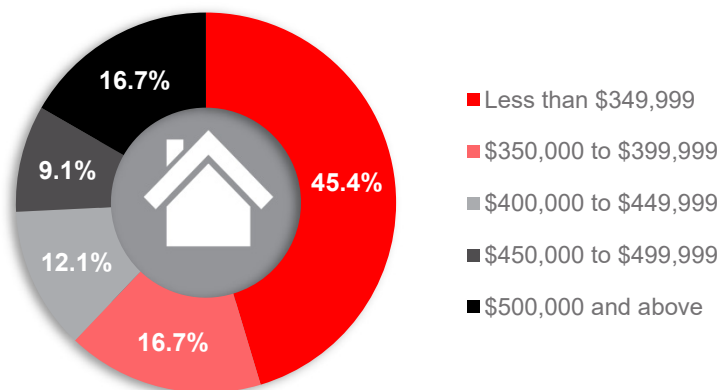
MARKET COMPARISON



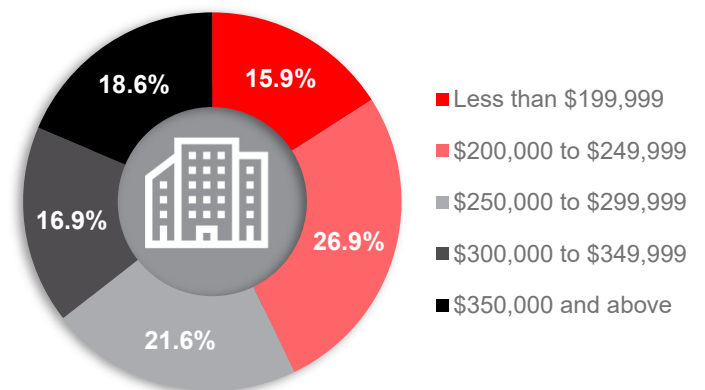
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Torquay.

PRICE BREAKDOWN 2019[^]

HOUSES SOLD



UNITS SOLD

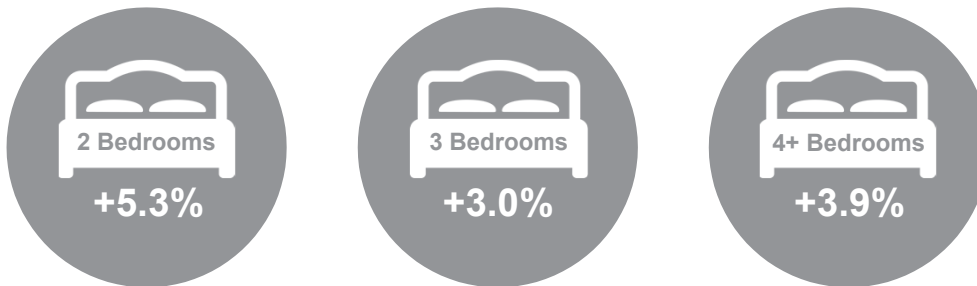


RENTAL GROWTH 2019*

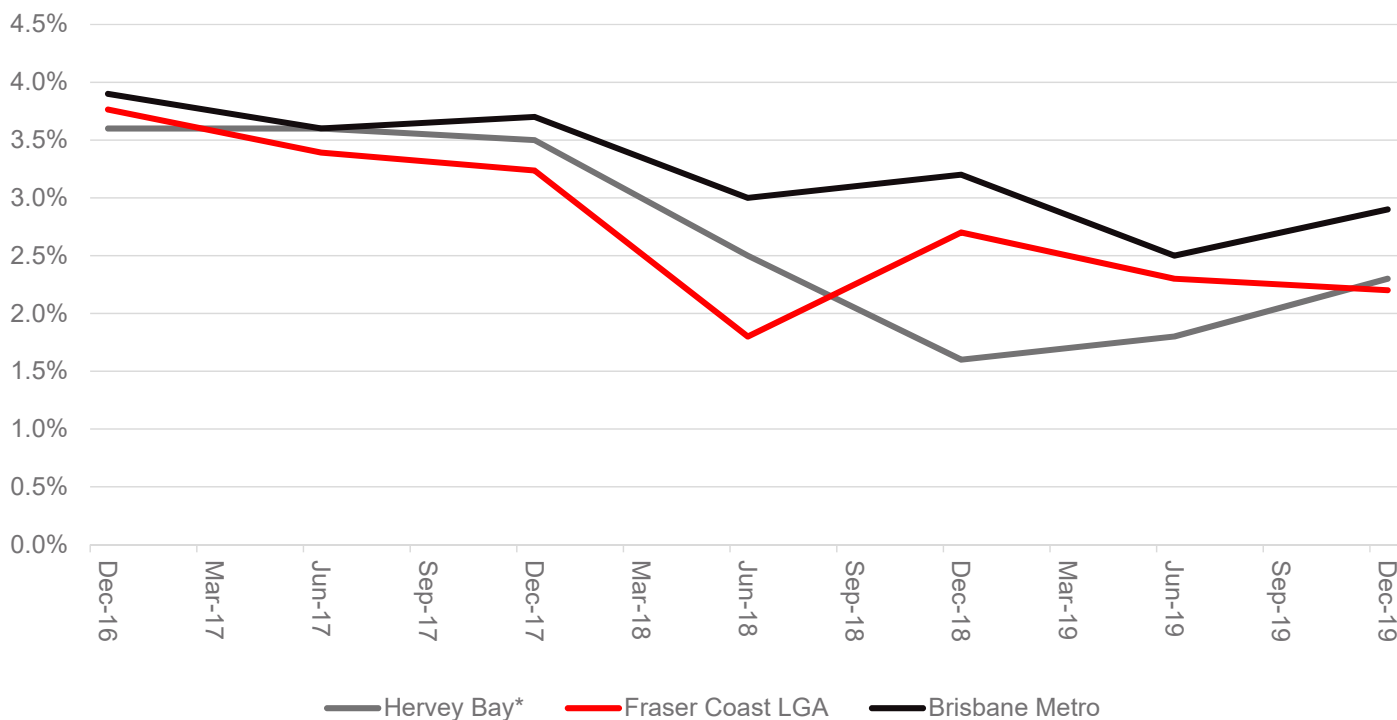
House rental yields in Hervey Bay* were recorded at a healthy 4.8% in December 2019, which is on-par with Fraser Coast LGA (4.8%) and above Brisbane Metro (3.9%). The house rental market is in a strong position, particularly when combined with the increased house rental median price over the past 12 months to Q1 2020, up +4.9% to \$375 per week.

2 bedroom houses provided investors with +5.3% rental growth annually, achieving a median rent of \$300 per week.

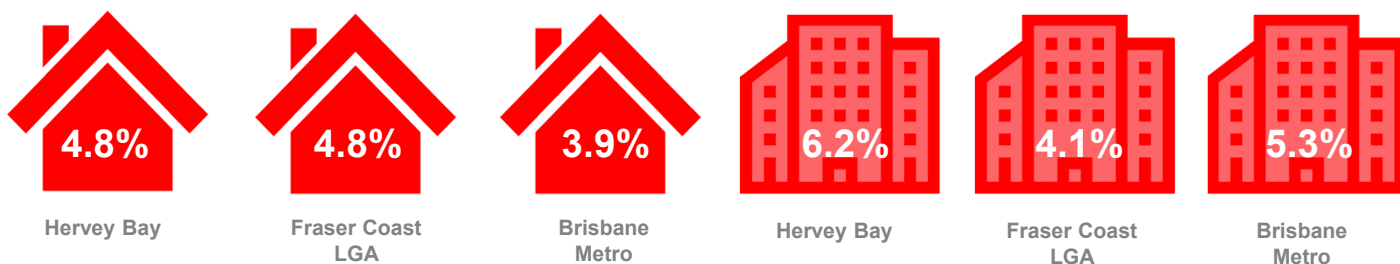
Hervey Bay* recorded a vacancy rate of 2.3% in December 2019. Although this is representative of an increasing trend in the past 12 months it is still well below the Real Estate Institute of Australia's healthy benchmark of 3.0%. Further, Hervey Bay* recorded vacancy rates below Brisbane Metro, at 2.9%. This confirms there is a healthier rental demand in Hervey Bay*, which is good news for investors.



RENTAL VACANCY RATES 2019



RENTAL YIELD 2019^



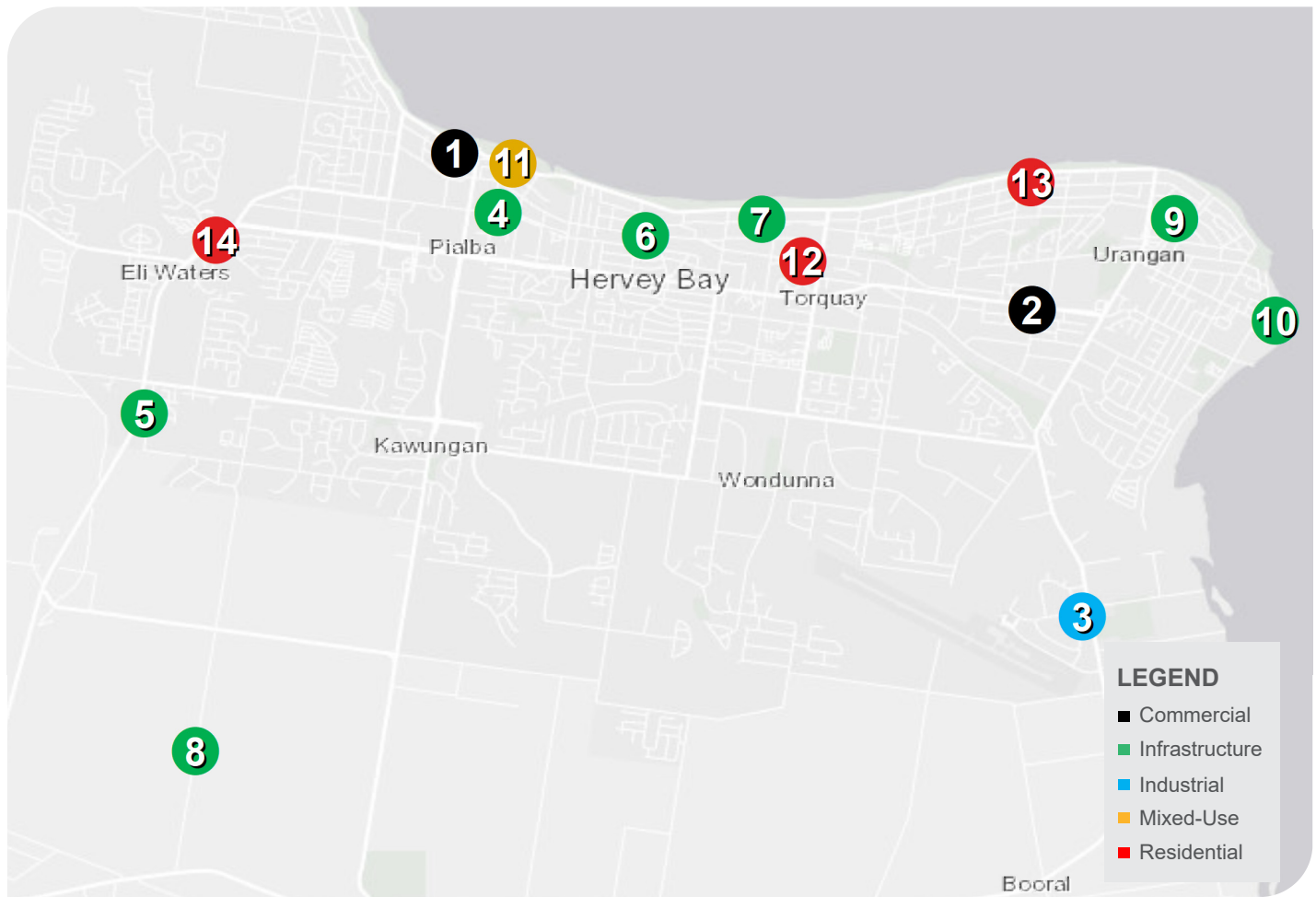
*Rental performance graph represents aggregate house median rent prices within market conditions in postcode 4655.

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 Pricefinder, SQM Research. © Copyright PRD 2020.

PROJECT DEVELOPMENT MAP 1ST HALF 2020*



Location	Project**	Type	Estimated Value***	Commence Date****
1	Sapphire Retirement Apartments	Commercial	\$1,250,000	06/02/2020
2	Urangan Medical Centre	Commercial	\$250,000	24/05/2020
3	Southern Cross Circuit Self Storage Facility	Industrial	\$250,000	27/06/2020
4	PQC 2 Minimum - 22 Hunter Street	Infrastructure	\$5,000,000	19/06/2020
5	Urraween (Hervey Bay) Ambulance Station	Infrastructure	\$2,379,000	01/02/2020
6	Torquay Road Roadworks	Infrastructure	\$1,921,000	21/04/2020
7	Tavistock Street & Freshwater Street Intersection	Infrastructure	\$708,000	07/04/2020
8	Fraser Coast Sports & Recreation Precinct	Infrastructure	\$400,000	06/05/2020
9	Pier Street Roadworks	Infrastructure	\$300,000	27/05/2020
10	Urangan Boat Harbour	Infrastructure	\$289,000	28/03/2020
11	Hillyard Street Mixed Use Development- (2 Units)	Mixed Use	\$700,000	30/06/2020
12	Torquay Terrace Townhouses- (20 Townhouses)	Residential	\$6,000,000	23/04/2020
13	Sea Haven Beach Villas Remaining Stages- (12 Dwellings and 13 Townhouses)	Residential	\$4,075,000	03/02/2020
14	Kingfisher Lakes Estate Subdivision Remaining Stages 3 – 5- (89 Lots)	Residential	\$3,115,000	27/04/2020

OUR SERVICES INCLUDE

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.

PRD 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.

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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