



Port Stephens Market Update 1st Half 2020



OVERVIEW

In Q1 2020, Port Stephens* recorded a median house price of \$695,000, and a median unit price of \$460,000. This represents annual (Q1 2019 – Q1 2020) median price growth of 2.2% for houses and of 3.7% for units. Between Q1 2019 – Q1 2020 total sales in both markets increased, by 4.4% for houses (to 95 sales) and by 9.7% for units to 68 sales. The Port Stephens* market has proven to be resilient with real capital growth, as both market sales and prices increased simultaneously. Now is an ideal time to transact in Port Stephens*.

	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

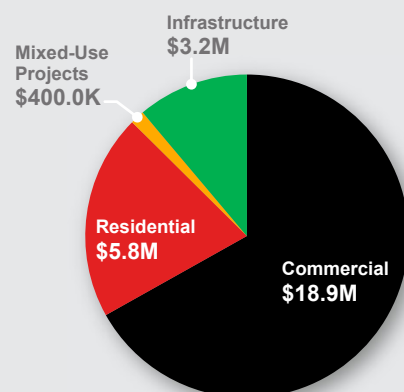


RENTAL AVERAGE DAYS ON MARKET Q1 2020



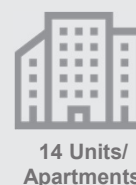
FUTURE DEVELOPMENTS

Port Stephens* is set to see around **\$28.3M worth of new projects commencing in the 1st half of 2020.**



These projects will stimulate economic growth and create employment opportunities in Port Stephens*, which will have a positive spill-over impact on the real estate market.

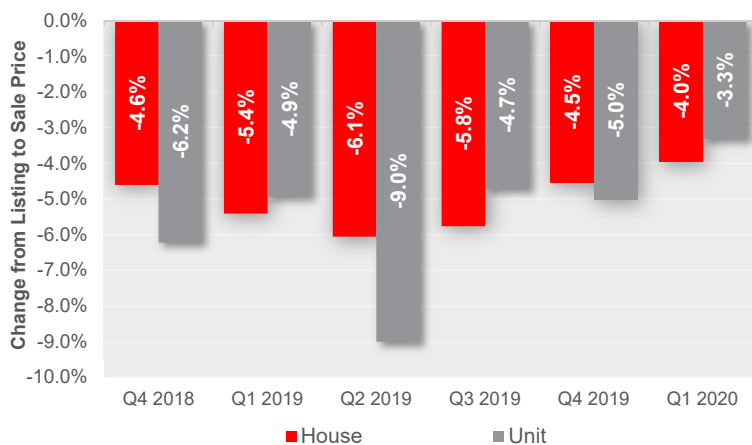
A main commercial project over the 1st half 2020 period is the Birubi Beach Resort – Anna Bay Resort (\$15.0M), which will see the construction of a 198 unit tourist resort, with a pool, restaurant and bar, tennis courts and more. Residential projects such as the \$3.0M Bagnall Avenue Units (set to add 8 units to the property market) are important to ensure increased demand are catered for and there is sustainable price growth for local first home buyers.



*Port Stephens market data and key indicators encapsulates aggregate property market conditions within the 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.
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.

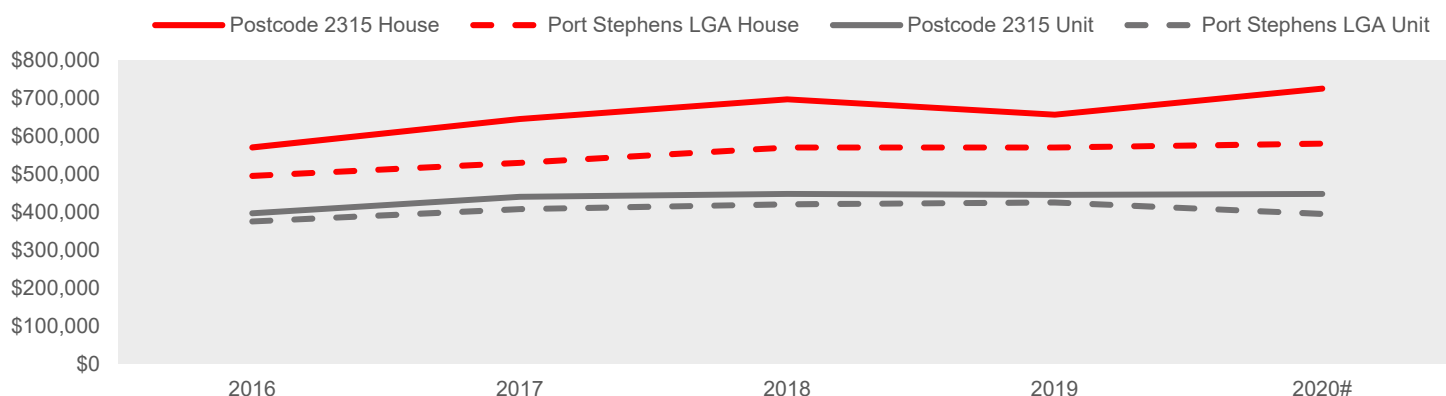


Average vendor discounts between Q1 2019 and Q1 2020 have tightened for both property types, to -4.0% for houses and -3.3% for units. Market conditions in Port Stephens* is attractive to both buyers and sellers, as sellers can achieve final sale prices closer to first list price whilst buyers can still benefit from a discount.

Postcode 2315 has historically outperformed the wider Port Stephens Local Government Area (LGA) in both house and unit median prices. This continues to be the case across 2020#.

The dominant proportion of homes sold in Port Stephens* across 2019^ were priced in the middle-low range of \$550,000-\$650,000 (26.9%). Units recorded a similar trend, with a dominant middle-low price point of \$350,000-\$450,000 (34.1%). These suggest affordable options are readily available for first home buyers in Port Stephens*.

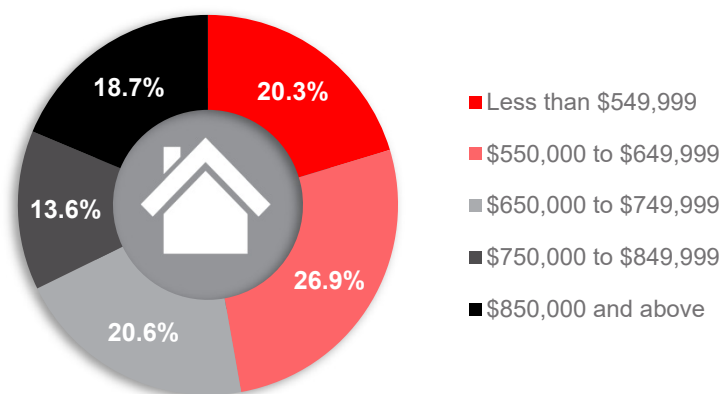
MARKET COMPARISON



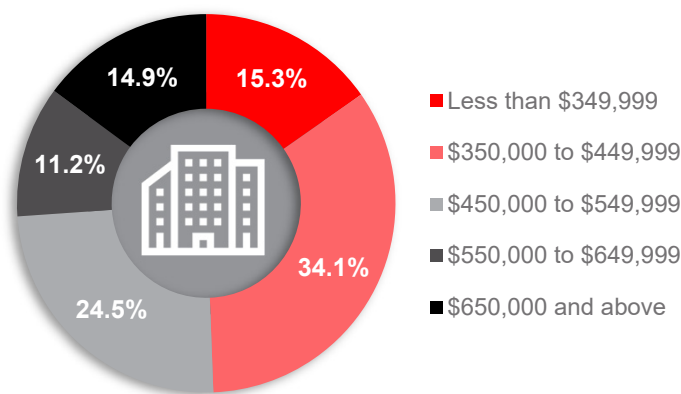
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main area analysed, which is Postcode 2315.

PRICE BREAKDOWN 2019^

HOUSES SOLD



UNITS SOLD



RENTAL GROWTH 2019*

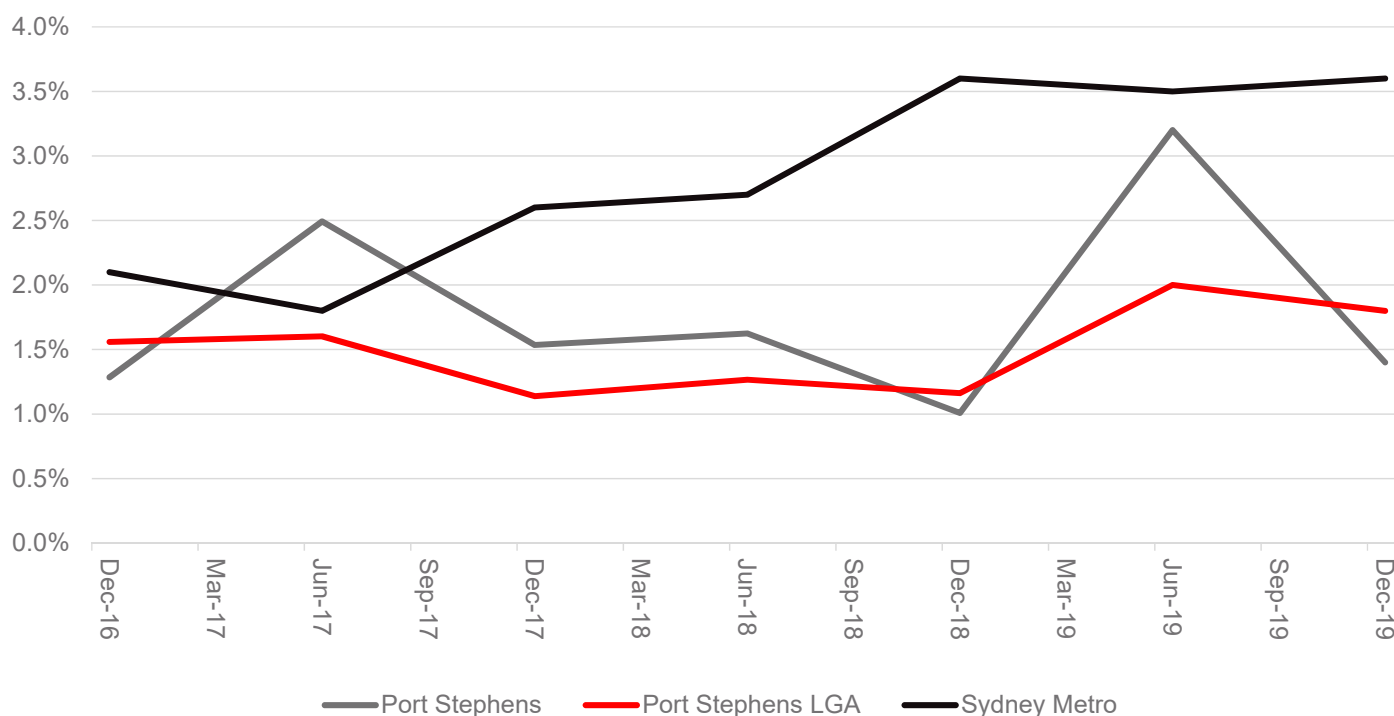
Over the past 12 months, house rental yields in Port Stephens increased slightly to reach 3.5% in December 2019. This is higher than Sydney Metro's 2.7% rental yield. Port Stephens house rental market is in a healthy position, especially when combined with the 4.4% increase in house rental demand in the 12 months to Q1 2020).

4+ bedroom houses provided investors with +4.0% rental growth annually, achieving a median rent of \$525 per week.

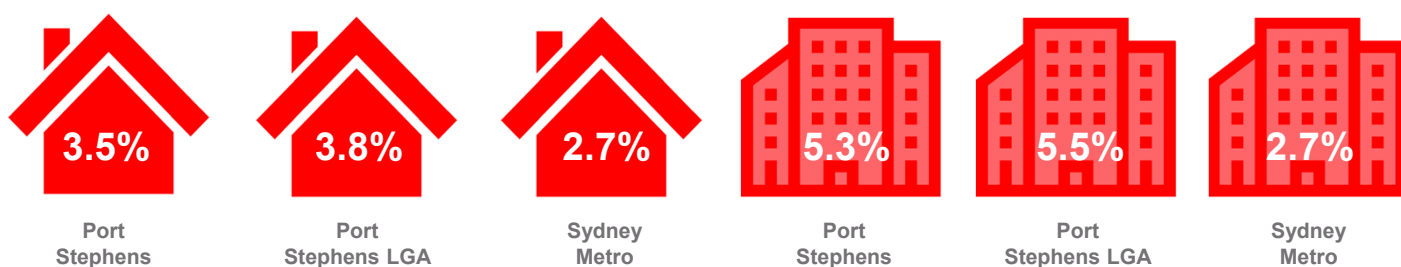
Port Stephens recorded a vacancy rate of 1.4% in December 2019. This represented a sharp decline in vacancy rates in the past 6 months, which indicates a significant improvement in rental demand. Port Stephens' vacancy rate is well below the Real Estate Institute of Australia healthy benchmark of 3.0% and Sydney Metro's 3.6%. With a lower median price compared to Sydney Metro, Port Stephens present itself as an ideal more affordable alternative for investment.



RENTAL VACANCY RATES 2019



RENTAL YIELD 2019^

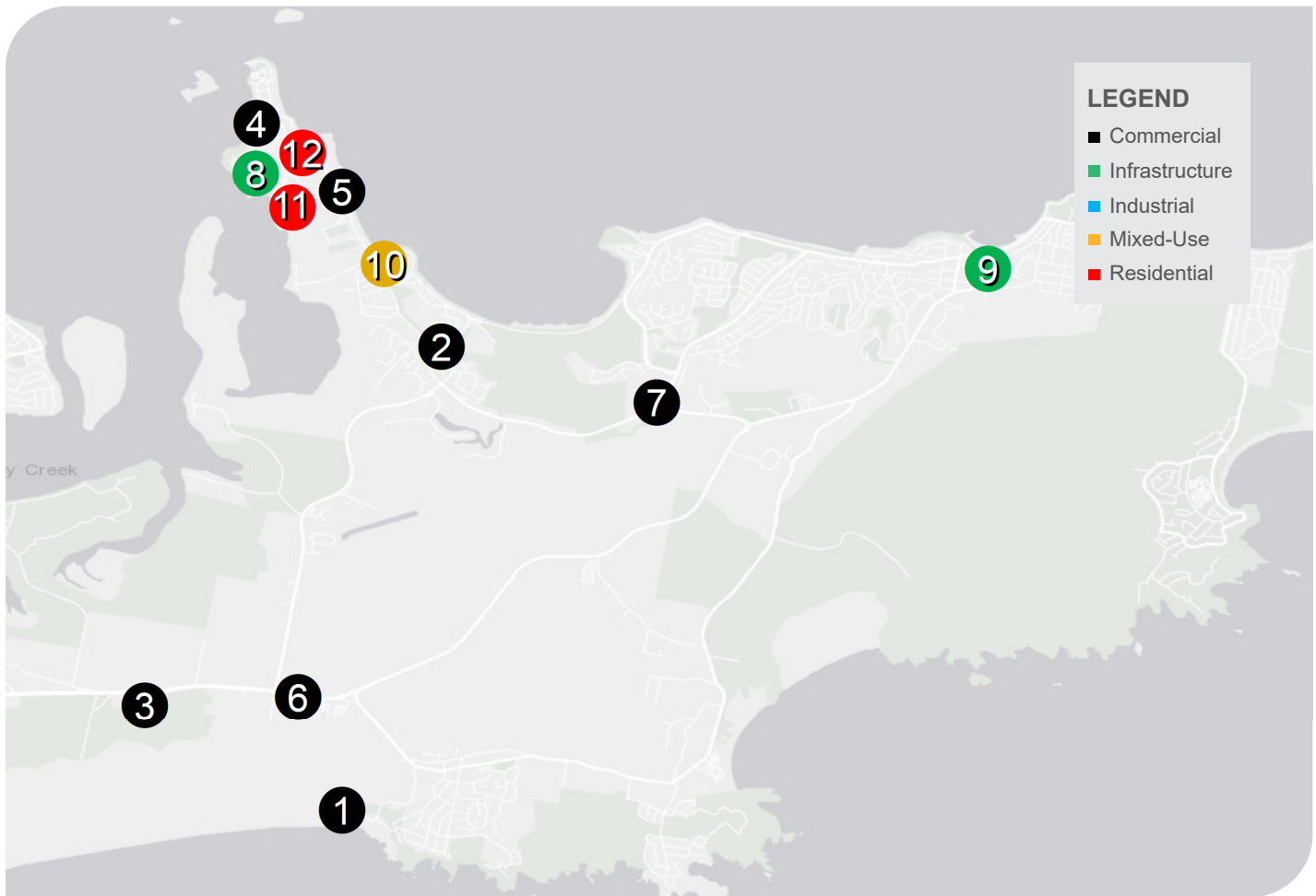


*Rental performance graph represents aggregate house median rent prices within the suburbs Anna Bay, Corlette, Nelson Bay, Salamander Bay, Shoal Bay and Soldiers Point. Annual rental growth is a comparison between 2018 and 2019 house median rent figures.

^Rental yields shown are as reported at December 2019.

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

PROJECT DEVELOPMENT MAP 1ST HALF 2020*



Location	Project**	Type	Estimated Value***	Commence Date****
1	Birubi Beach Resort - Anna Bay Resort	Commercial	\$15,000,000	21/03/2020
2	Uniting Care Aged Care Salamander Bay Village	Commercial	\$1,250,000	27/05/2020
3	Caltex Service Station Anna Bay	Commercial	\$890,000	25/01/2020
4	Hunter Water Storage Tanks	Commercial	\$600,000	18/05/2020
5	Bannisters Port Stephens	Commercial	\$500,000	09/03/2020
6	Emerald Tiki Village Caravan Park	Commercial	\$444,000	15/01/2020
7	Town Centre Circuit Shopping Centre Car Park	Commercial	\$249,000	13/05/2020
8	Bagnall Avenue Townhouses	Infrastructure	\$2,955,000	15/06/2020
9	Donald Street Car Park	Infrastructure	\$200,000	18/02/2020
10	Randall Drive Mixed Use Development (1 Dwelling)	Mixed-use	\$400,000	06/04/2020
11	Bagnall Avenue Units (8 Units)	Residential	\$2,955,000	04/04/2020
12	Soldiers Point Road Apartments (6 Apartments)	Residential	\$2,870,000	27/02/2020

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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