



Port Stephens Market Update 2nd Half 2020



OVERVIEW

In Q3 2020, Port Stephens* recorded a median house price of \$655,000, and a median unit price of \$450,000. This represents annual (Q3 2019 – Q3 2020) median price growth of 3.1% for houses and of 4.7% for units. Between Q3 2019 – Q3 2020 total sales increased, by 37.2% for houses (to 129 sales) and by 73.9% for units (to 80 sales). Median price growth and increased sales activity suggest real capital growth in the area, in contrast to general COVID-19 predictions. This indicates high market resilience in Port Stephens*, thus creating an ideal market for real estate transactions.

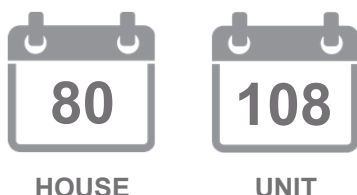
	CHANGE FROM LAST	YEAR	HALF YEAR
	House Sales	↑	↑
	House Median Price	↑	↓
	House Rental Price	↑	↑
	Unit Sales	↑	↑
	Unit Median Price	↑	↑
	Unit Rental Price	↑	↓

MARKET CONDITIONS

SALES MEDIAN PRICE Q3 2020



SALES AVERAGE DAYS ON MARKET Q3 2020



RENTAL MEDIAN PRICE Q3 2020

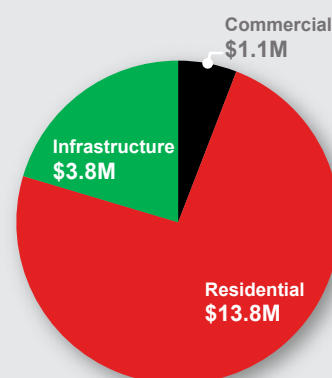


RENTAL AVERAGE DAYS ON MARKET Q3 2020



FUTURE DEVELOPMENTS

Port Stephens* is set to see around **\$90.5M** worth of new projects commence in the 2nd half of 2020.



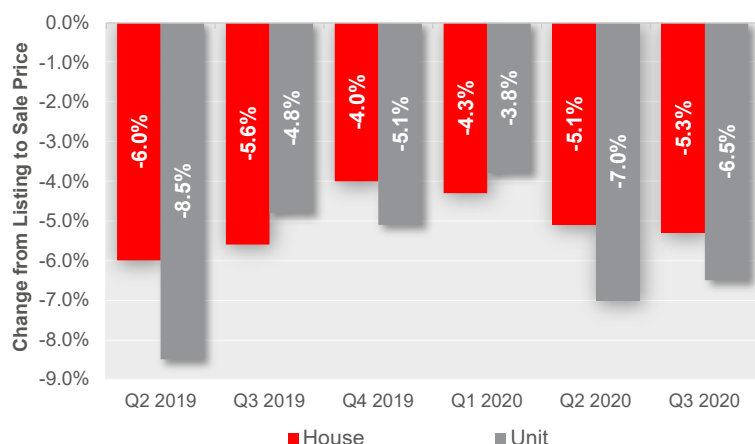
A focus on residential projects will replenish supply in Port Stephens*, catering for demand and ensuring sustainable price growth. All projects will generate new employment in the construction phase, which will have a positive spill-over impact on the real estate market.

A main commercial project over the 2nd half of 2020 is \$1.1M Achilles Street Group Home, which will feature five bedrooms and four living areas. Nelson Bay Ice and Fuel Wharf repairs (\$855.0K) is an example of infrastructure set to improve liveability for residents. Key residential projects such as Nelson Bay Road Subdivision (\$6.7M, 168 lots) allows first home buyers to build a home and access government grants. Other projects include Church St Units (\$4.2M, 12 units) and Soldiers Point Rd Apartments (\$2.8M, 6 apartments).



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.

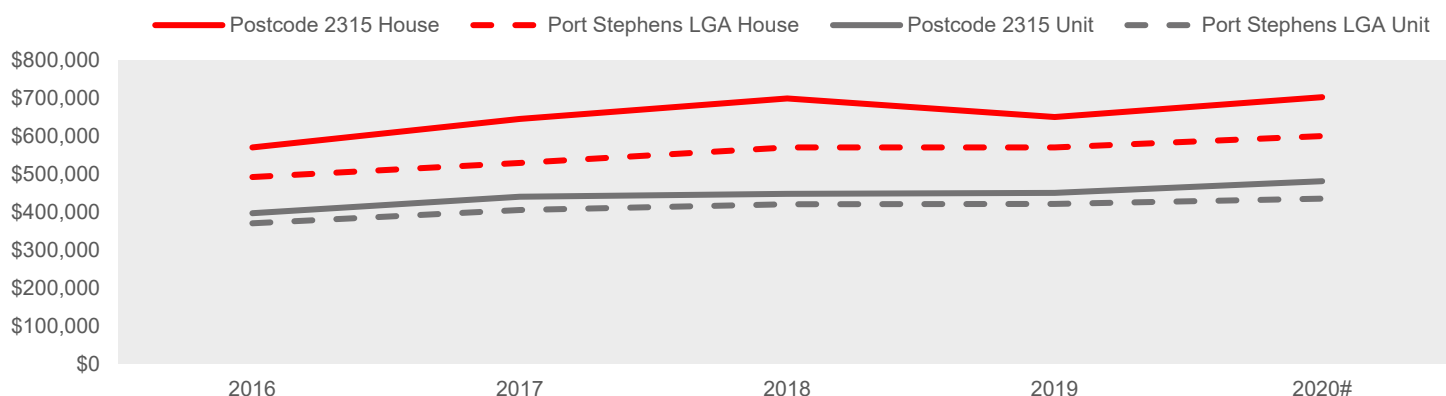


Average vendor discounts between Q3 2019 and Q3 2020 have tightened to -5.3% for houses, and widened to -6.5% for units. Market conditions in Port Stephens* continue to favour buyers overall, as sellers are willing to negotiate below their initial listing price. Now is the time to enter the market.

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 throughout 2020#.

The dominant proportion of homes sold in Port Stephens* across 2020^ were in the lowest price range of below \$600,000 (30.2%). Units also recorded a dominant lowest price point of below \$400,000 (32.3%). This is fantastic news for buyers looking to enter the market for the first time, as there are many affordable options available.

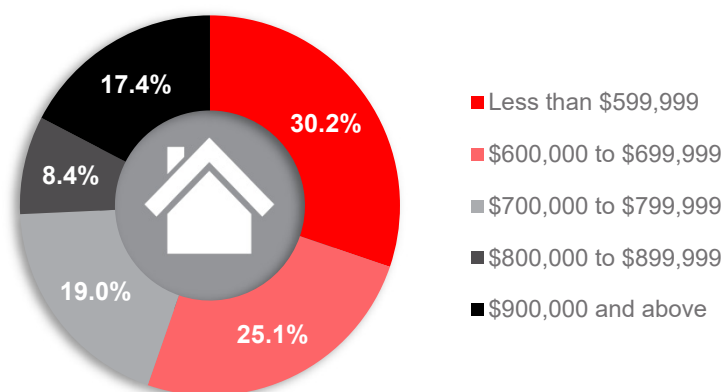
MARKET COMPARISON



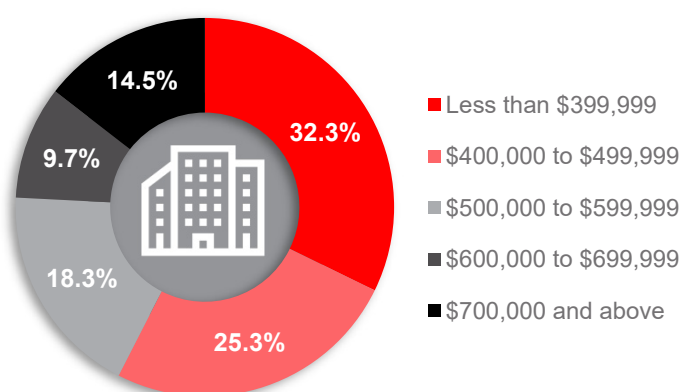
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on its proximity to the main suburb analysed, which is Postcode 2315.

PRICE BREAKDOWN 2020^

HOUSES SOLD



UNITS SOLD

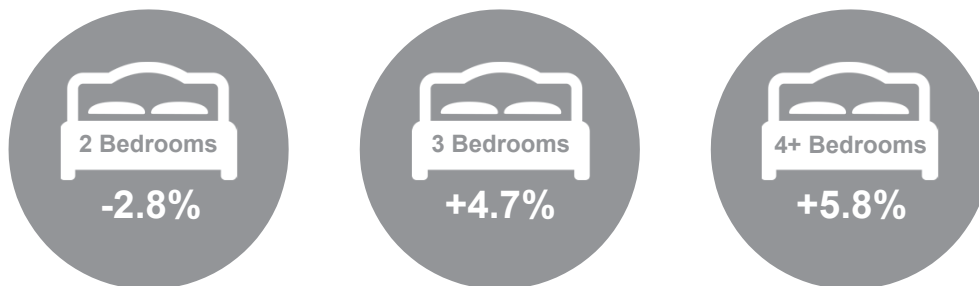


RENTAL GROWTH 2020€

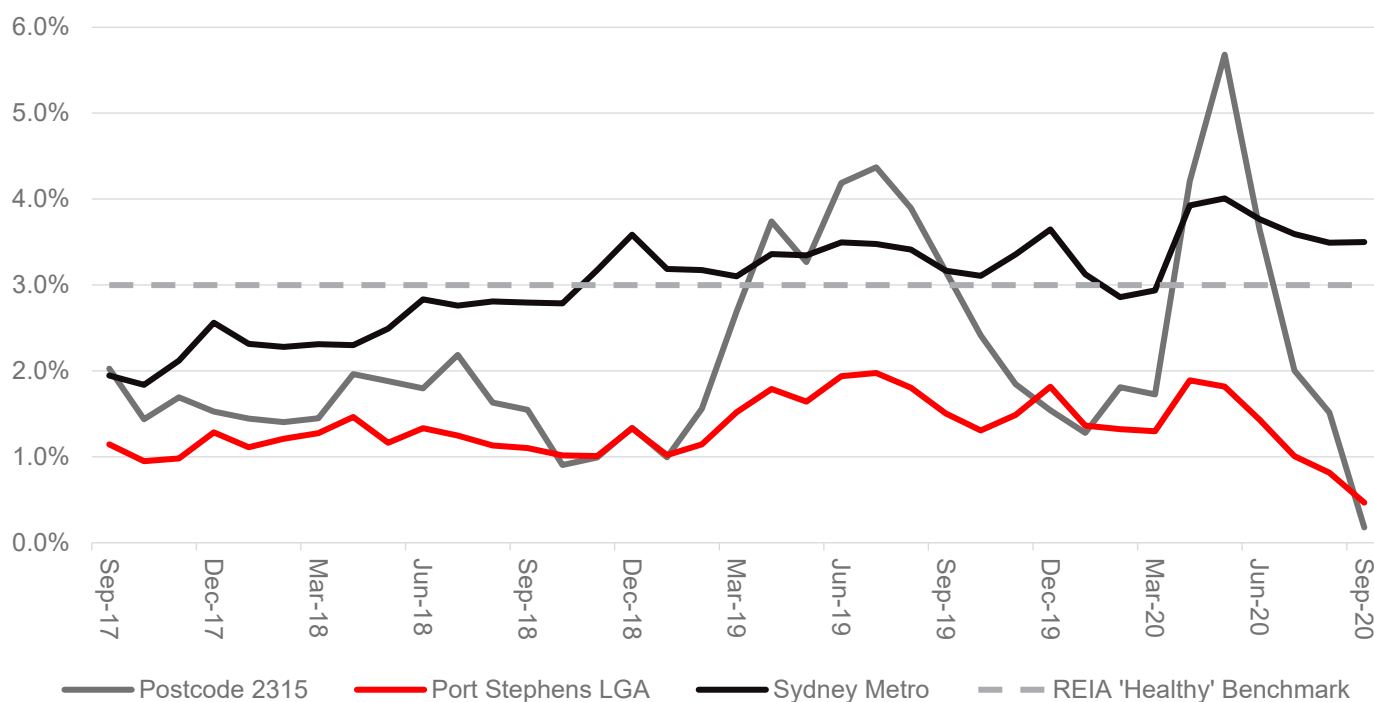
In September 2020, house rental yields in Postcode 2315* were recorded at 3.1%. In the 12 months to Q3 2020, the median house rental price in Port Stephens* grew to \$475 per week, while average days on the market dropped by -33.3% (to just 18 days). Overall this highlights the resilience shown in Port Stephen's rental market throughout COVID-19.

4+ bedroom houses have provided investors with +5.8% rental growth annually, with a median rent of \$550 per week.

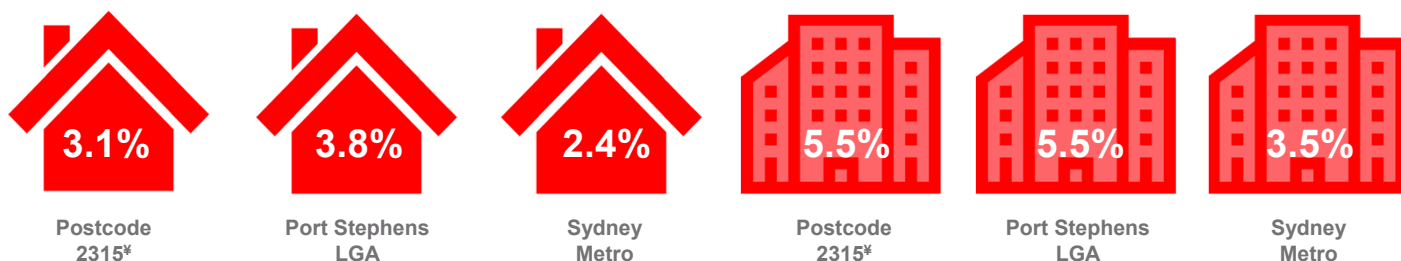
Also in September 2020, Postcode 2315* recorded an extremely tight vacancy rate of 0.2%, below that of Port Stephens LGA already tight 0.5%, and well below Sydney Metro (3.5%). Vacancy rates in Postcode 2315* is now at a historical low, well below the Real Estate Institute of Australia's healthy benchmark of 3.0%, and continuing on a declining trend even amidst COVID-19 conditions. This confirms there is an ongoing healthy rental demand, which benefits investors.



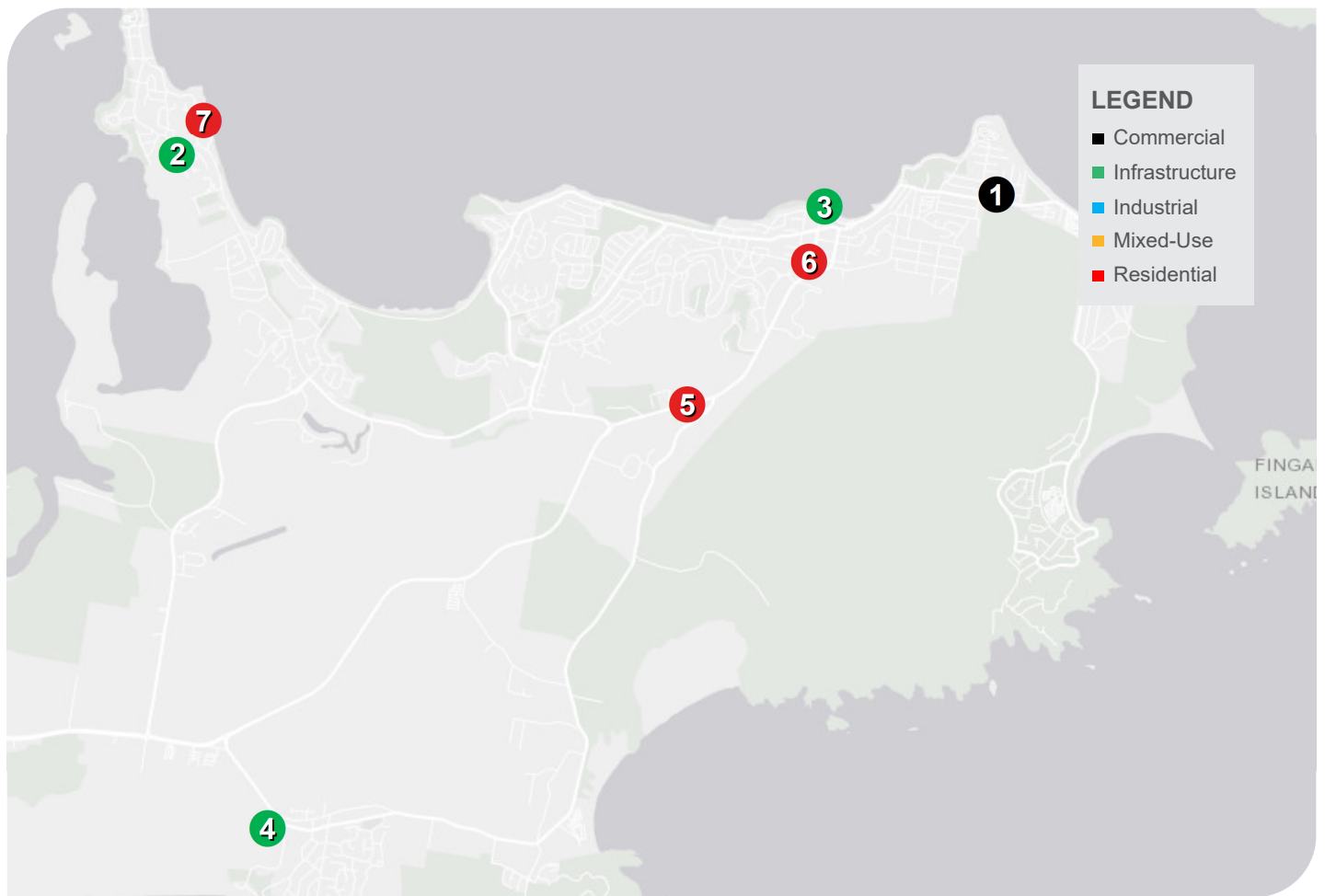
RENTAL VACANCY RATES 2020



RENTAL YIELD 2020\$



PROJECT DEVELOPMENT MAP 2ND HALF 2020*



Location	Project [£]	Type	Estimated Value ^µ	Commence Date ^ψ
1	Achilles Street Group Home	Commercial	\$1,100,000	09/12/2020
2	Bagnall Avenue Townhouses	Infrastructure	\$2,955,000	12/11/2020
3	Nelson Bay Ice And Fuel Wharf	Infrastructure	\$860,000	17/12/2020
4	Birubi Information Centre	Infrastructure	\$5,000	10/07/2020
5	Nelson Bay Rd Subdivision (168 lots)	Residential	\$6,720,000	18/10/2020
6	Church Street Units (12 Units)	Residential	\$4,223,000	12/08/2020
7	Soldiers Point Road Apartments (6 Apartments)	Residential	\$2,870,000	01/07/2020

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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REFERENCES

* Port Stephens market data and key indicators encapsulates aggregate property market conditions within the suburbs of Anna Bay, Corlette, Nelson Bay, Salamander Bay, Shoal Bay, 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.

2020 encapsulates sales transactions for 2020 (01/01/2020 – 30/09/2020) only.

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€ Annual rental growth is a comparison between 2019 (01/01/2019 – 30/06/2019) and 2020 (01/01/2020 – 30/09/2020) house median rent figures.

¥ Port Stephens market data encapsulates aggregate property conditions within the postcode of 2315.

§ Rental yields shown are as reported at September 2020.

⌘ 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 suburb of Anna Bay, Corlette, Nelson Bay, Salamander Bay, Shoal Bay, Soldiers Point.

μ Estimated value is the value of construction costs provided by relevant data authority, it does not reflect the project's sale/commercial value.

ψ Commencement date quoted for each project is an approximate only, as provided by the relevant data authority, PRD does not hold any liability to the exact date.

Source: APM Pricefinder, Cordell Connect database, SQM Research, ESRI ARCGIS.

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