



# Hervey Bay Market Update 2nd Half 2020



## OVERVIEW

In Q3 2020, Hervey Bay\* recorded a median house price of \$380,000 and a median unit price of \$277,000. This represents annual (Q3 2019 – Q3 2020) median price growth of 4.3% for houses and 11.7% for units. Between Q3 2019 – Q3 2020 total sales softened, by -26.5% for houses (to 261 sales) and by -4.2% for units (to 68 sales). This is due to a combination of low stock and COVID-19 restrictions. That said median price growth for both property types amidst COVID-19 shows the resilience within a regional market, potentially with an undersupply. Now is an ideal time to transact in Hervey Bay\*.

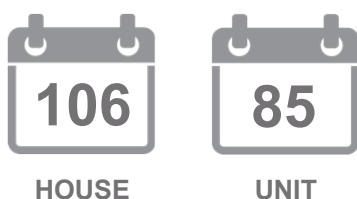
	CHANGE FROM LAST	YEAR	HALF YEAR
	House Sales	↓	↓
	House Median Price	↑	↑
	House Rental Price	↑	↑
	Unit Sales	↓	↓
	Unit Median Price	↑	↑
	Unit Rental Price	↑	↑

## MARKET CONDITIONS

### SALES MEDIAN PRICE Q3 2020



### SALES AVERAGE DAYS ON MARKET Q3 2020



### RENTAL MEDIAN PRICE Q3 2020

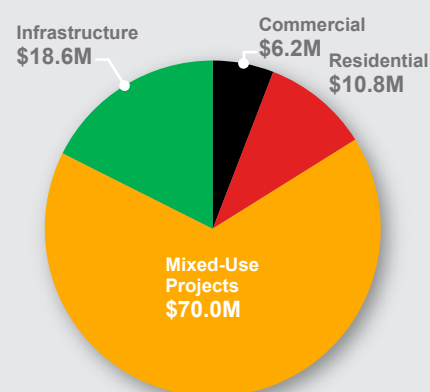


### RENTAL AVERAGE DAYS ON MARKET Q3 2020



## FUTURE DEVELOPMENTS

The Hervey Bay\* area is set to see approximately **\$105.6M** worth of new projects commencing in the 2nd half of 2020.



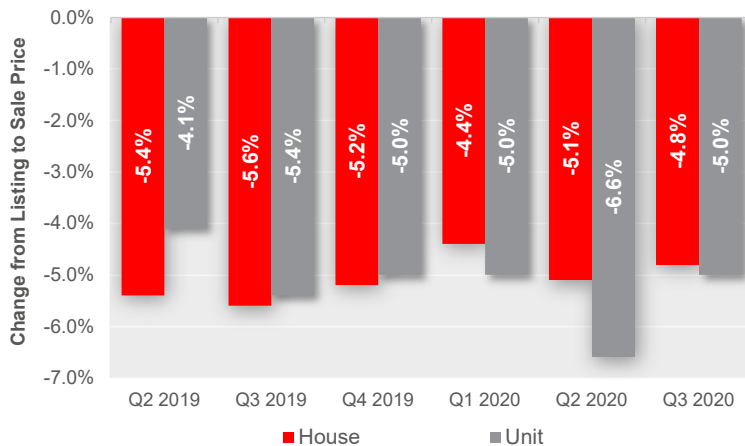
A focus on mixed use and infrastructure projects is ideal for Hervey Bay\*, as it signals new businesses and economic growth, all of which has the potential to create more jobs. Infrastructure projects will improve liveability aspects for residents and create jobs in the construction phase.

A main mixed use project in the 2nd half 2020 period is the Hervey Bay Life Style Resort (\$70.0M). This project will construct a lifestyle resort that will include, 380 units and restaurant/retail space. A total of \$10.8M of residential projects will add 6 townhouses and 213 lots. A key residential project is Dougan Street Subdivision (\$5.6M, 124 lots). The supply of new vacant lots allows first home buyers to build their dream home, by accessing multiple Federal and State government incentives and grants.



## AVERAGE VENDOR DISCOUNT

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.



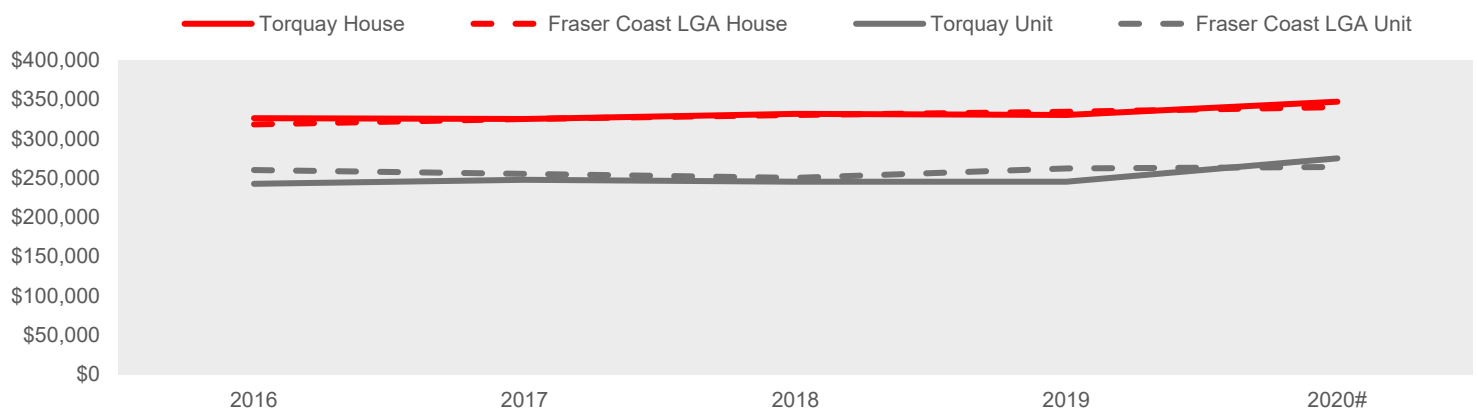
## KEY COMMENTS

In the 12 months to Q3 2020, average vendor discount has tightened for both property types, to -4.8% (houses) and -5.0% (units). The Hervey Bay\* market provides unique opportunities. Sellers can achieve a final sale price closer to their first list price, whilst buyers can still benefit from a discount. Now is the time to transact.

Over the past 5 years to 2020#, the suburb of Torquay has performed generally on par with the Fraser Local Government Area (LGA) area regarding property prices. This provides unique opportunities for buyers, with the expectation for further price growth in the future.

The dominant proportion of houses sold in Hervey Bay\* across 2020^ were in the premium price bracket of \$450K and above (30.1%). Units on the other hand saw high activity in the lower-middle price bracket of \$250k to \$299K (26.0%). There is an equal spread of price point percentages in both house and unit sales, indicating that there is a property for every budget in Hervey Bay\*.

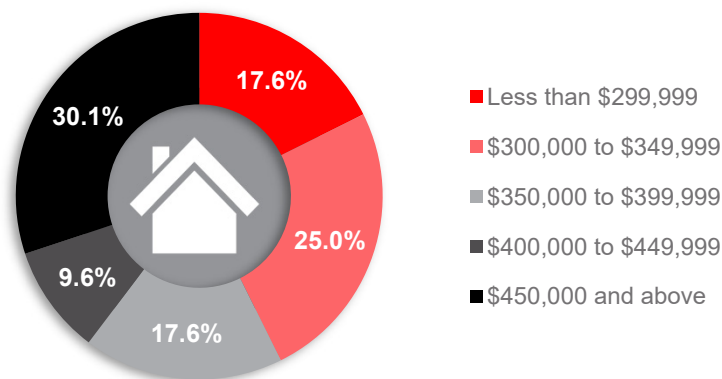
## MARKET COMPARISON



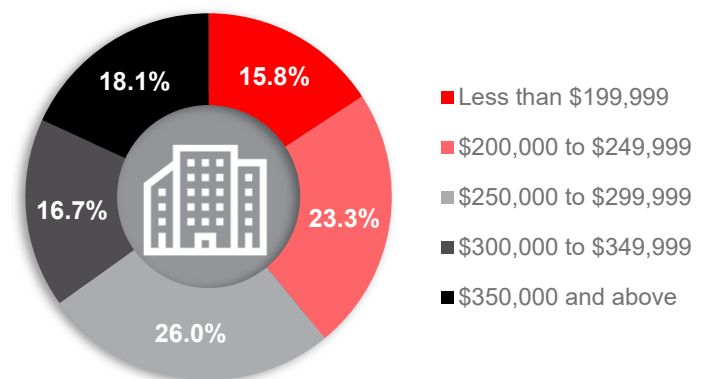
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled is chosen based on their proximity to the main suburb analysed, which is Torquay.

## PRICE BREAKDOWN 2020^

### HOUSES SOLD



### UNITS SOLD

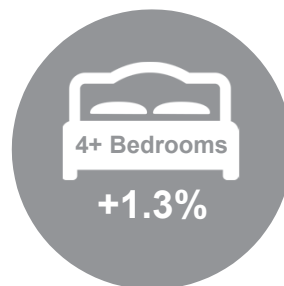


## RENTAL GROWTH 2020€

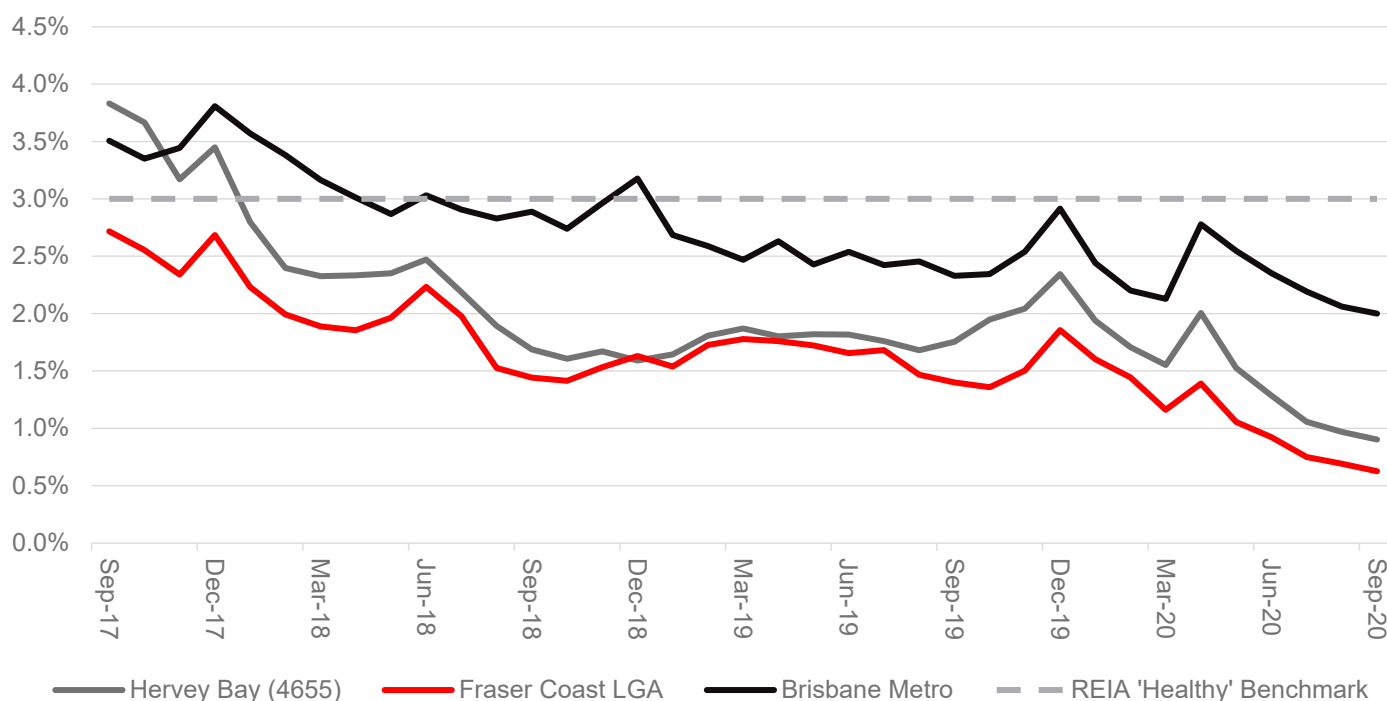
In September 2020, house rental yields in Hervey Bay\* were recorded at a healthy 5.7%. In the 12 months to Q3 2020, median house rental price grew by 4.1% to \$380 per week. This is also in conjunction with average days on the market declining by 20.0% (to 16 days). Overall this represents an extremely resilient rental market amidst COVID-19 conditions.

3 bedroom houses have provided investors with +2.9% rental growth annually, with a median rent of \$350 per week.

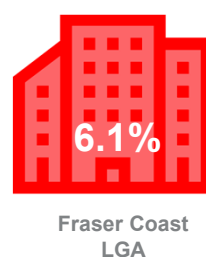
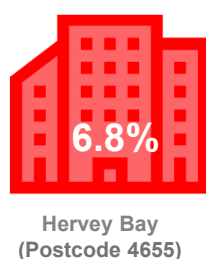
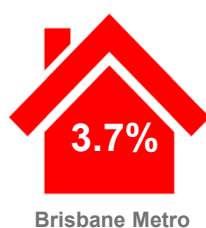
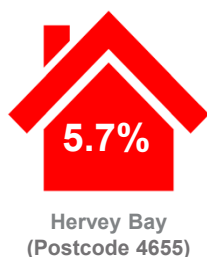
Also, in September 2020, Hervey Bay\* recorded a significantly low vacancy rate of 0.9%, well below Brisbane Metro (2.0%). Vacancy rates in Hervey Bay\* are now at a three-year historical low level, well below the Real Estate Institute of Australia's healthy benchmark of 3.0% and continuing a declining trend even amidst COVID-19 conditions. This confirms there is an ongoing healthy rental demand towards regional areas, which will significantly benefit investors.



## RENTAL VACANCY RATES 2020



## RENTAL YIELD 2020\$



# PROJECT DEVELOPMENT MAP 2nd HALF 2020<sup>Ⓐ</sup>



Location	Project <sup>£</sup>	Type	Estimated Value <sup>Ⓜ</sup>	Commence Date <sup>Ⓜ</sup>
1	The Fraser Coast Hospice	Commercial	\$3,000,000	26/10/2020
2	Kfc Urangan	Commercial	\$1,750,000	11/09/2020
3	Ergon Energy Hervey Bay Depot	Commercial	\$800,000	03/08/2020
4	Main Street Dental Clinic	Commercial	\$400,000	10/12/2020
5	Esplanade Commercial Development	Commercial	\$250,000	25/11/2020
6	Avion Development Project	Infrastructure	\$7,132,000	30/12/2020
7	Urraween (Hervey Bay) Ambulance Station	Infrastructure	\$2,999,000	01/07/2020
8	Hervey Bay Airport	Infrastructure	\$2,900,000	10/12/2020
9	Hunter Street Housing	Infrastructure	\$1,384,000	25/09/2020
10	Raward Road Open Channel	Infrastructure	\$1,250,000	14/09/2020
11	St Marys Road Bridge	Infrastructure	\$1,200,000	02/12/2020
12	Caddy Avenue & Wedge Street	Infrastructure	\$910,000	17/08/2020
13	Fraser Coast Regional Council Roadworks	Infrastructure	\$800,000	10/12/2020
14	Hervey Bay Lifestyle Resort- (380 Units)	Mixed Use	\$70,000,000	29/10/2020
15	Dougan Street Residential Subdivision- (124 lots)	Residential	\$5,600,000	30/08/2020
16	Kingfisher Lakes Estate Subdivision Remaining Stages 3 – 5- (89 Lots)	Residential	\$3,115,000	16/12/2020
17	Pier & Hibiscus Streets Residential Development- (6 townhouses and 1 Unit)	Residential	\$2,100,000	30/11/2020

## 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.



**Jim McKay, Principal**  
**M** +61 418 717 341  
**E** [jimmckay@prd.com.au](mailto:jimmckay@prd.com.au)

**PRD Hervey Bay**  
**P** +61 7 4125 1900

428 Esplanade  
Torquay QLD 4655

[PRD.com.au/herveybay](http://PRD.com.au/herveybay)

# REFERENCES

\*Hervey Bay market data and key indicators encapsulates aggregate property market conditions within the postcode of 4655.

\*\* 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.

¥ Hervey Bay market data encapsulates aggregate property conditions within Hervey Bay (4655).

§ 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 suburbs of Torquay, Urangan, Pialba, Dundowran, Hervey Bay, Nikenbah, Point Vernon, Urraween, Wondunna, Scarness.

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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