



Port Stephens Market Update 1st Half 2021



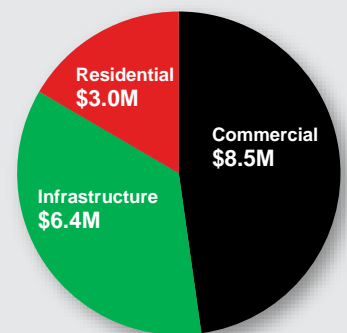
OVERVIEW

In Q1 2021, Port Stephens* recorded a median house price of \$800,000, and a median unit price of \$480,000. This represents annual (Q1 2020 – Q1 2021) median price growth of 14.3% for houses and of 6.7% for units. Between Q1 2020 – Q1 2021 total sales increased, by 5.6% for houses (to 114 sales) and by 49.3% for units (to 100 sales). Median price growth alongside increased sales suggests real returns on capital investment in Port Stephens*. Now is the time to transact, particularly for owner-occupiers looking to benefit from a highly demanded market.

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

FUTURE DEVELOPMENTS

Port Stephens* is set to see an estimated **\$17.8M** worth of new projects commencing in the 1st half of 2021.



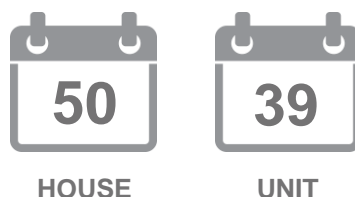
A blend of the above planned projects in Port Stephens will help create new employment, housing, and amenities for the benefit of residents and investors alike, with a positive spill-over impacts on the property market likely.

MARKET CONDITIONS

SALES MEDIAN PRICE Q1 2021



SALES AVERAGE DAYS ON MARKET Q1 2021



RENTAL MEDIAN PRICE Q1 2021



RENTAL AVERAGE DAYS ON MARKET Q1 2021



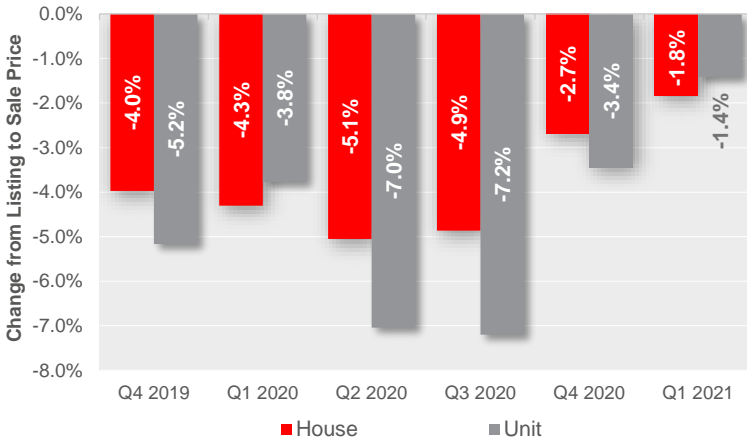
A main commercial project over the 1st half of 2021 is the \$4.8M Aldi Salamander Bay, which will create a new supermarket with parking for 119 vehicles. Key infrastructure such as Brinubi Information Centre (\$5.0M) will increase the viability of the region for tourism, benefiting businesses locally. Residential projects such as the \$3.0M Bagnall Avenue Units (8 units) will create new housing stock, necessary to answer high demand and support population growth in the area. There is an opportunity for institutional and private developers wishing to add to their portfolio, as there is very little new stock in the pipeline, which is needed to ensure sustainable price growth in the area.



8 Units/
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.

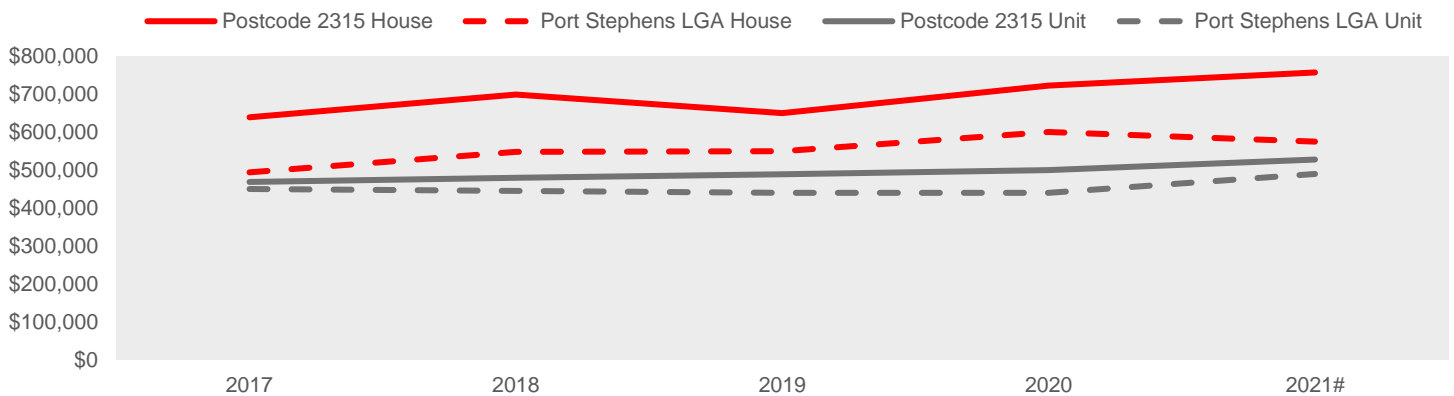


Average vendor discounts between Q1 2020 and Q1 2021 have tightened for both property types, to -1.8% for houses and -1.4% for units. Market conditions in Port Stephens* are shifting towards a sellers' market, with sellers achieving final sale prices closer to their first list price. Buyers can still benefit from a discount however time is limited.

Postcode 2315 has historically outperformed the wider Port Stephens Local Government Area (LGA) in both house and unit median prices. This has continued to be the case throughout 2021#, especially for houses.

The dominant proportion of homes sold in Port Stephens* across 2020/21^ were in the premium price bracket of \$800K and above (33.5%). Unit sales also recorded a dominant premium price, of \$600K and above (26.4%). There is an appetite for premium stock, thus buyers looking affordable stock must act quickly.

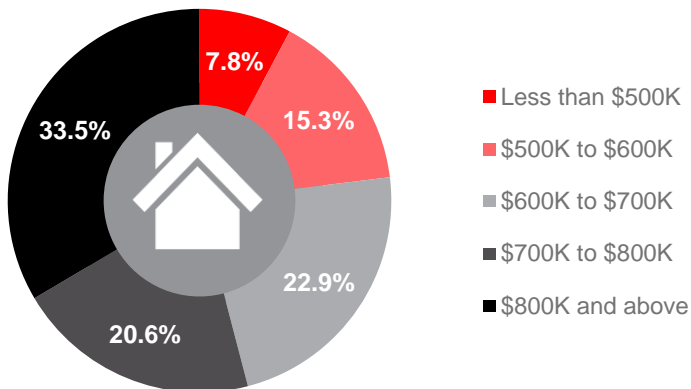
MARKET COMPARISON



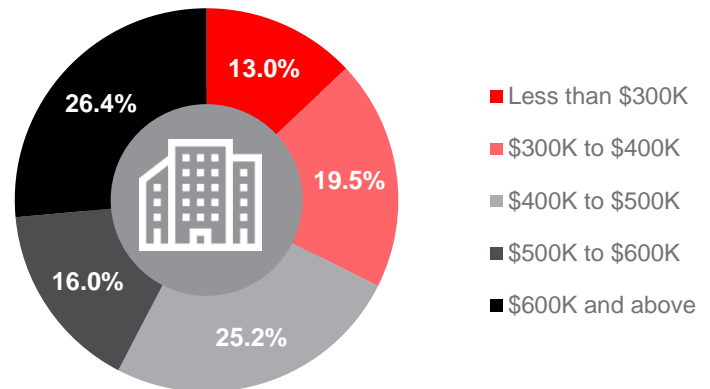
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main area analysed, which is Postcode 2315.

PRICE BREAKDOWN 2020/21^

HOUSES SOLD



UNITS SOLD

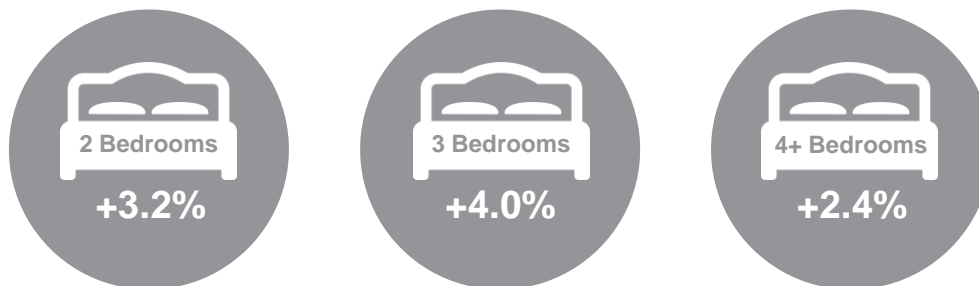


RENTAL GROWTH 2020/21€

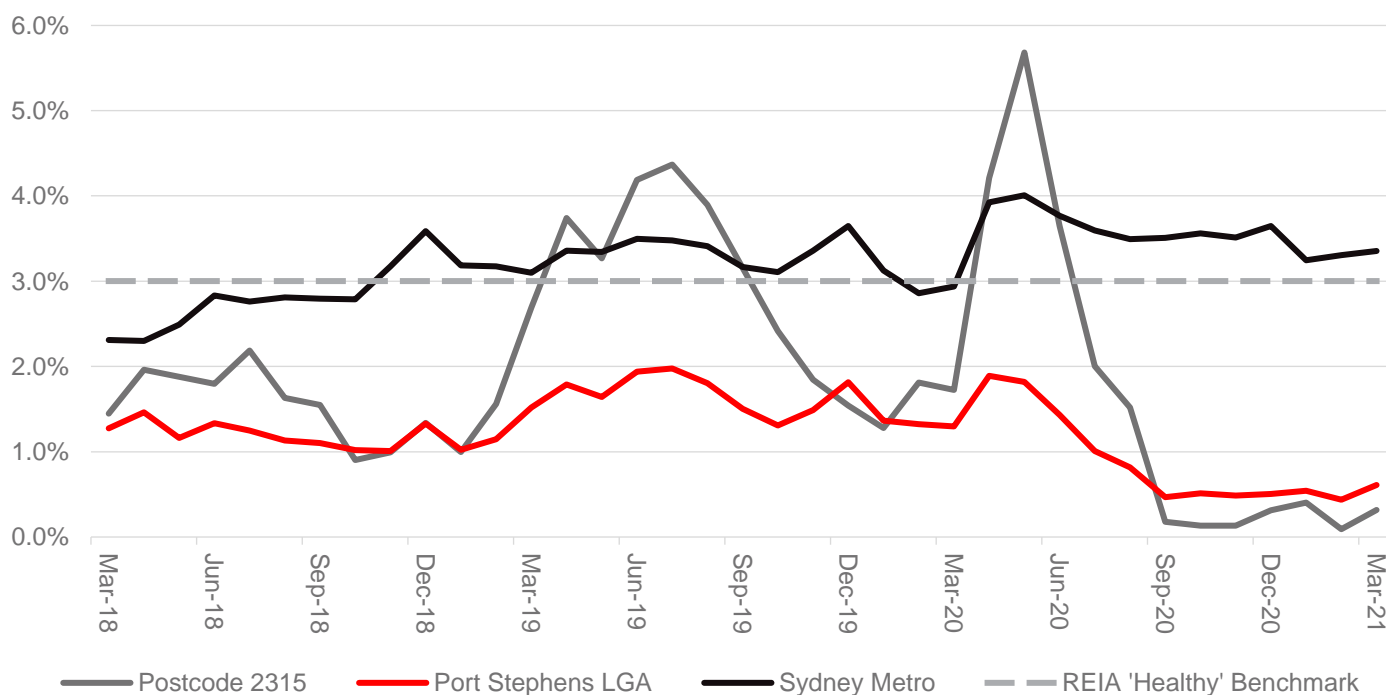
In March 2021, house rental yields in Postcode 2315* were recorded at 3.2%. In the 12 months to Q1 2021, the median house rental price has increased by 4.3% to reach \$480 per week, while average days on the market declined by -53.1% (to just 14 days). Overall this suggests Port Stephens* has proven to be a highly resilient rental market throughout COVID-19.

3 bedroom houses have provided investors with +4.0% rental growth annually, achieving a median rent of \$450 per week.

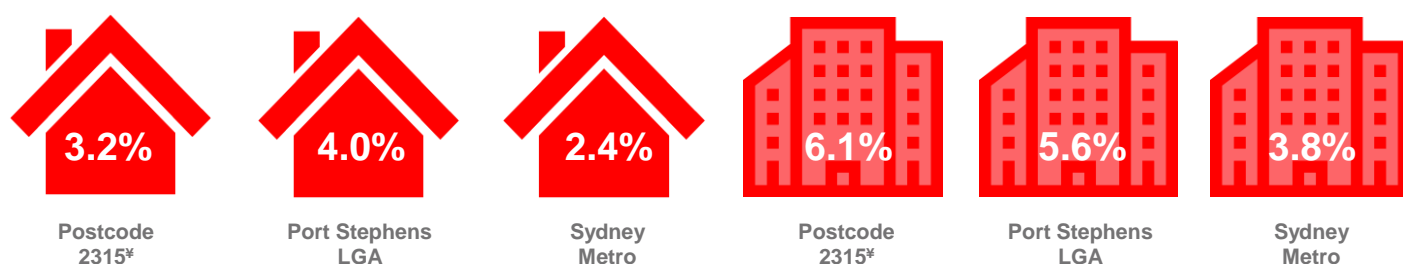
Also in March 2021, Postcode 2315* recorded an extremely low vacancy rate of 0.3%, below that of Port Stephens LGA (0.6%) and far below Sydney Metro (3.4%). Vacancy rates in Postcode 2315* declined sharply since May 2020, and is amongst the lowest seen in the past three years. It has remained well below the Real Estate Institute of Australia's healthy benchmark of 3.0%, even amidst COVID-19 conditions. There is a conducive investment environment in Port Stephens*.



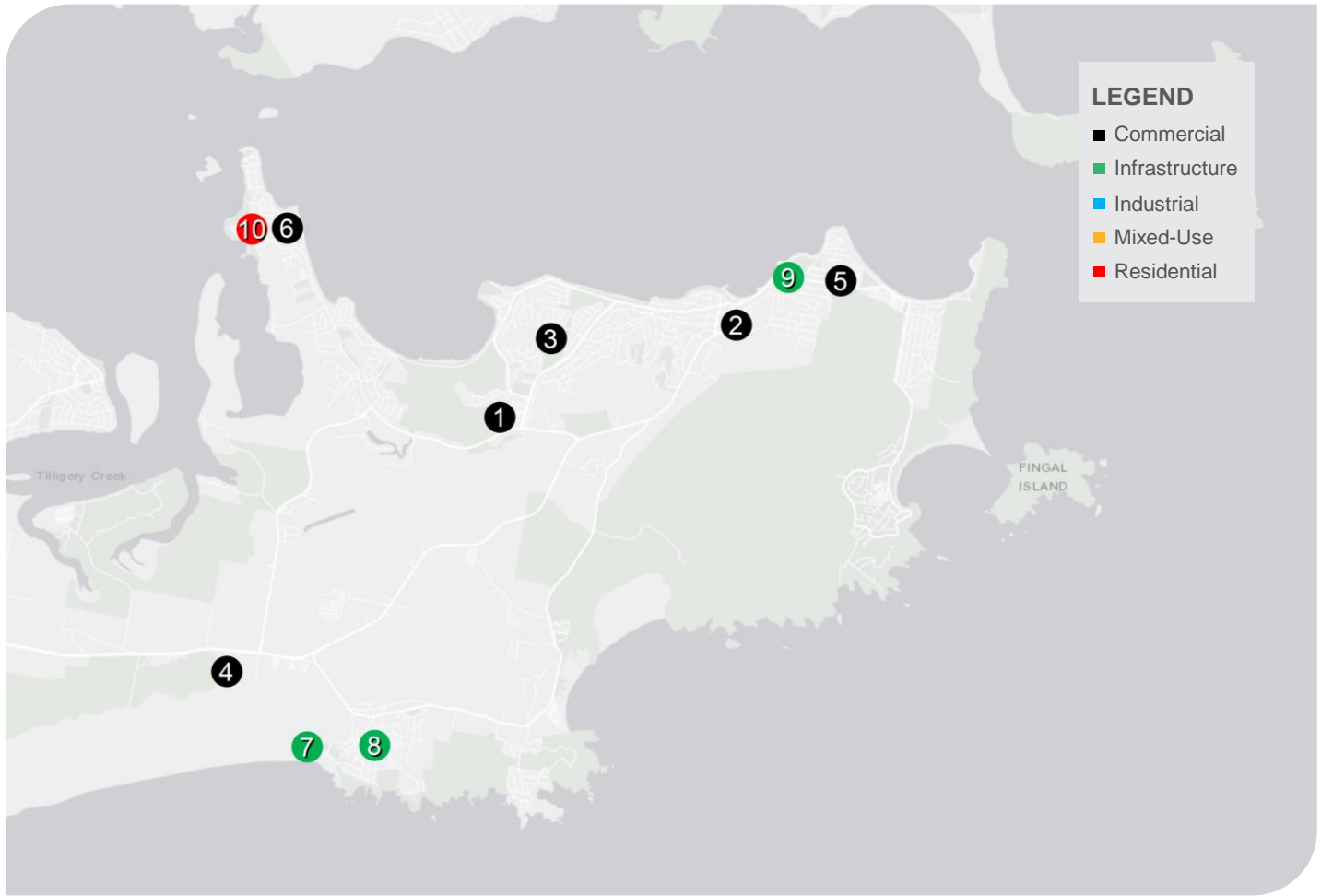
RENTAL VACANCY RATES 2021



RENTAL YIELD 2021§



TOP DEVELOPMENTS MAP 1ST HALF 2021[Ⓐ]



Location	Project [£]	Type	Estimated Value [Ⓜ]	Commence Date [Ⓜ]
1	Aldi Supermarket Salamander Bay	Commercial	\$4,810,000	10/03/2021
2	Yacaaba Street Dental Surgery	Commercial	\$800,000	20/02/2021
3	Bowline Circuit Group Home	Commercial	\$978,000	15/05/2021
4	Nelson Bay Road Sand Extraction	Commercial	\$200,000	02/02/2021
5	Achilles Street Group Home	Commercial	\$1,100,000	01/01/2021
6	Soldiers Point Bowling Club	Commercial	\$620,000	22/06/2021
7	Birubi Information Centre	Infrastructure	\$5,000,000	11/06/2021
8	Birubi Point Aboriginal Place Tourism Interchange	Infrastructure	\$1,000,000	25/03/2021
9	Shoal Bay Foreshore	Infrastructure	\$350,000	10/04/2021
10	Bagnall Avenue Units (8 Units)	Residential	\$2,955,000	19/03/2021

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, 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.

2021 encapsulates sales transactions for Q1 2021 (01/01/2021 – 31/03/2021).

^ 2020/21 encapsulates sales transactions for 2020 & Q1 2021 (01/01/2020 – 31/03/2021).

€ Annual rental growth is a comparison between 2019 (01/01/2019 – 31/12/2019) and 2020/21 (01/01/2020 – 31/03/2021) house median rent figures.

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

§ Rental yields shown are as reported as of March 2021.

⌘ 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 Anna Bay, Corlette, Nelson Bay, Salamander Bay, Shoal Bay, and 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 Pricerfinder, Cordell Connect database, SQM Research, Esri ArcGIS.

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