



Lake Macquarie Market Update 1st Half 2021



OVERVIEW

In Q1 2021, Lake Macquarie* recorded a median house price of \$790,000, and a median unit price of \$540,000. This represents annual (Q1 2020 – Q1 2021) median price growth of 19.7% for houses and a slight price softening of -1.8% for units. Between Q1 2020 – Q1 2021 total sales increased, by 23.2% for houses (to 186 sales) and by 21.9% for units (to 89 sales). With sales transactions increasing and median house prices rising, now is the time for home owners to benefit in Lake Macquarie*. The unit market is slightly more affordable for first home buyers, thus an opportune time to enter the market.

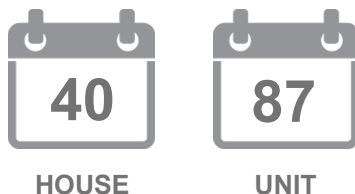
	CHANGE FROM LAST	YEAR	HALF YEAR
			
House Sales		↑	↓
House Median Price		↑	↑
House Rental Price		↑	↑
			
Unit Sales		↑	↑
Unit Median Price		↓	↑
Unit Rental Price		↑	↑

MARKET CONDITIONS

SALES MEDIAN PRICE Q1 2021



SALES AVERAGE DAYS ON MARKET Q1 2021



RENTAL MEDIAN PRICE Q1 2021

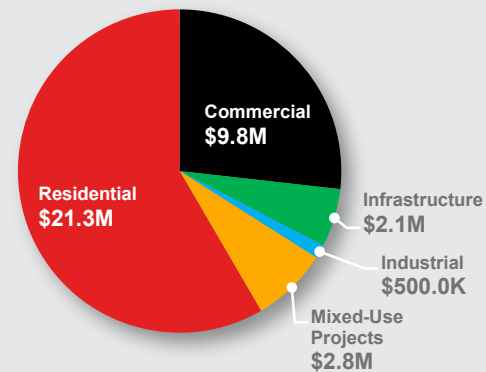


RENTAL AVERAGE DAYS ON MARKET Q1 2021



FUTURE DEVELOPMENTS

Lake Macquarie* is set to see an estimated **\$36.5M** worth of projects commence in the 1st half of 2021.



These projects will create new housing supply and create new employment opportunities in Lake Macquarie*, which will have a positive impact on the real estate market.

A main commercial project over the 1st half of 2021 is McDonalds Cameron Park (\$3.4M), which will feature a dual lane drive-through. Infrastructure projects such as the \$2.1M Speers Point Park Multi-Arts Pavilion will provide residents with access to upgraded amenities. Key mixed-use project is Charles Street Mixed-Use Development (\$2.7M), which will create 14 apartments and a commercial tenancy.

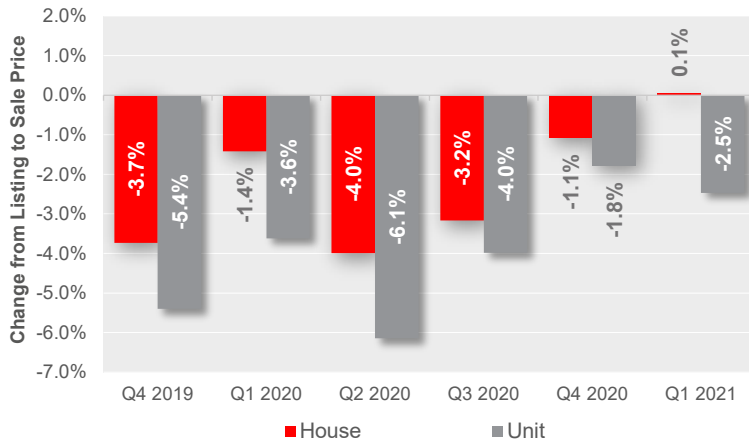
Key residential projects include: Berringer Road Townhouses (\$1.9M, 7 Townhouses), Portland Drive Dwellings and Subdivision (\$13.8M, 53 dwellings), and Speers Street Units (\$1.1M, 3 units).



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.

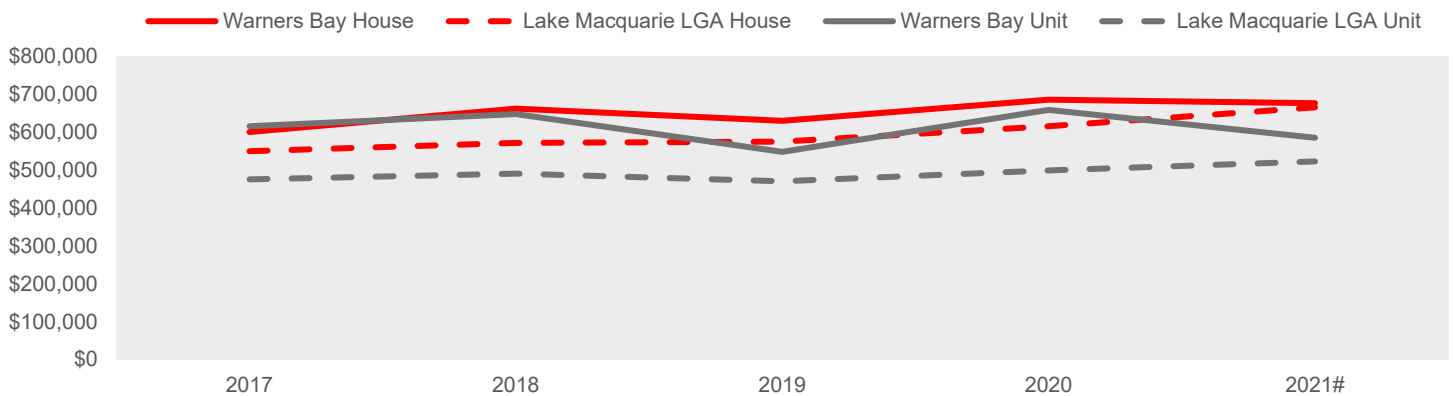
Average vendor discounts between Q1 2020 and Q1 2021 have tightened to -2.5% for units and swung to a premium of +0.1% for houses. House market conditions in Lake Macquarie* have now shifted to favour vendors, as buyers are willing to offer above the first listing price. Unit buyers can still enjoy a discount, however limited.



The suburb of Warners Bay* has historically performed above the wider Lake Macquarie Local Government Area (LGA) in both house and unit median prices. This has continued to be the case throughout 2021#.

The dominant proportion of houses sold across Lake Macquarie* in 2020/21^ were in the premium price point of above \$800K (28.9%). Meanwhile units recorded a dominant middle-price point of \$500K-\$600K (29.6%). The most affordable priced brackets are limited in size, suggesting first home buyers must act quickly to secure more affordable properties.

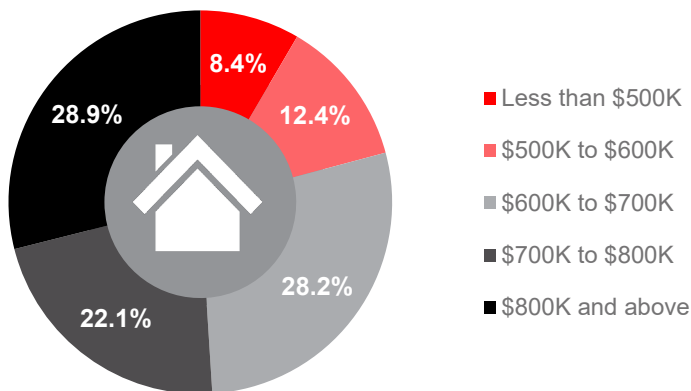
MARKET COMPARISON



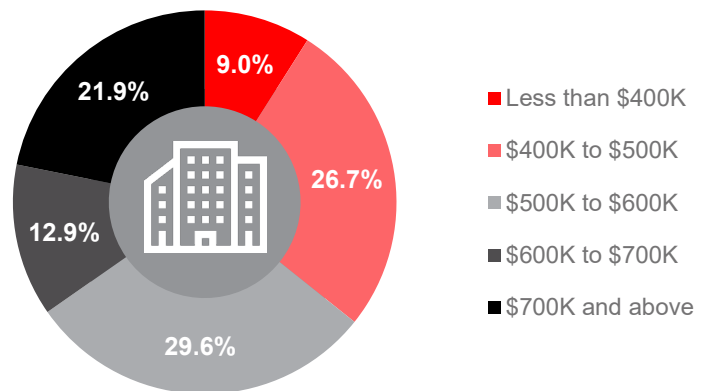
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Warners Bay.

PRICE BREAKDOWN 2020/21^

HOUSES SOLD



UNITS SOLD

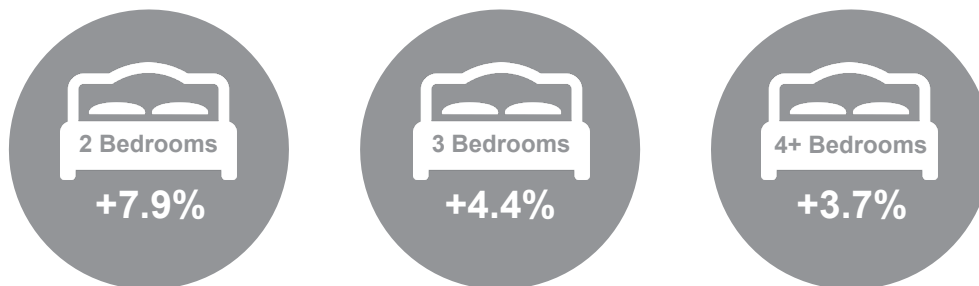


RENTAL GROWTH 2020/21€

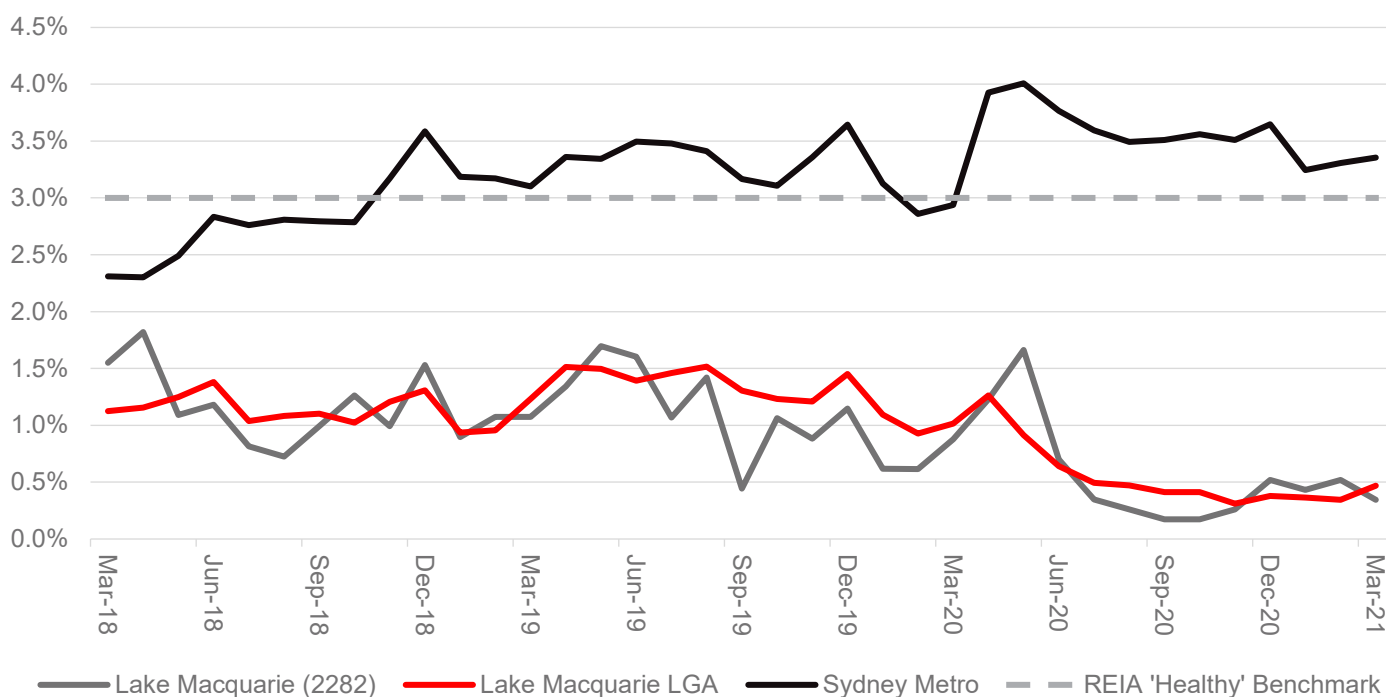
In March 2021, house rental yields in Lake Macquarie* were recorded at 3.1%. In the 12 months to Q1 2021, the median house rental price increased by 6.0% to reach \$530 per week, while average days on the market declined by -28.4% (to 15 days). Overall this indicates Lake Macquarie's* rental market has performed strongly throughout COVID-19.

2 bedroom houses have provided investors with +7.9% rental growth annually, achieving a median rent of \$410 per week.

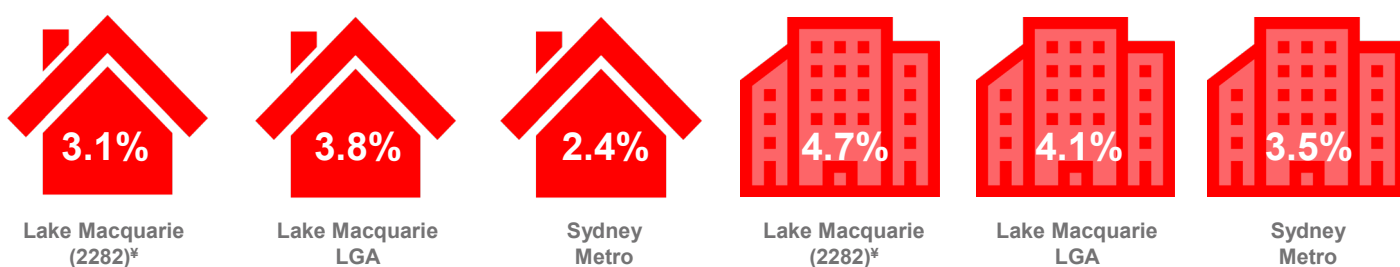
Also in March 2021, Lake Macquarie* recorded an extremely low vacancy rate of just 0.3%, below that of Lake Macquarie LGA (0.5%) and well below Sydney Metro (3.4%). Vacancy rates in Lake Macquarie* have continued to decline since May 2020, and remaining well below the Real Estate Institute of Australia's healthy benchmark of 3.0%. There is strong ongoing rental demand, suggesting investors can be confident of a conducive investment environment in Lake Macquarie*.



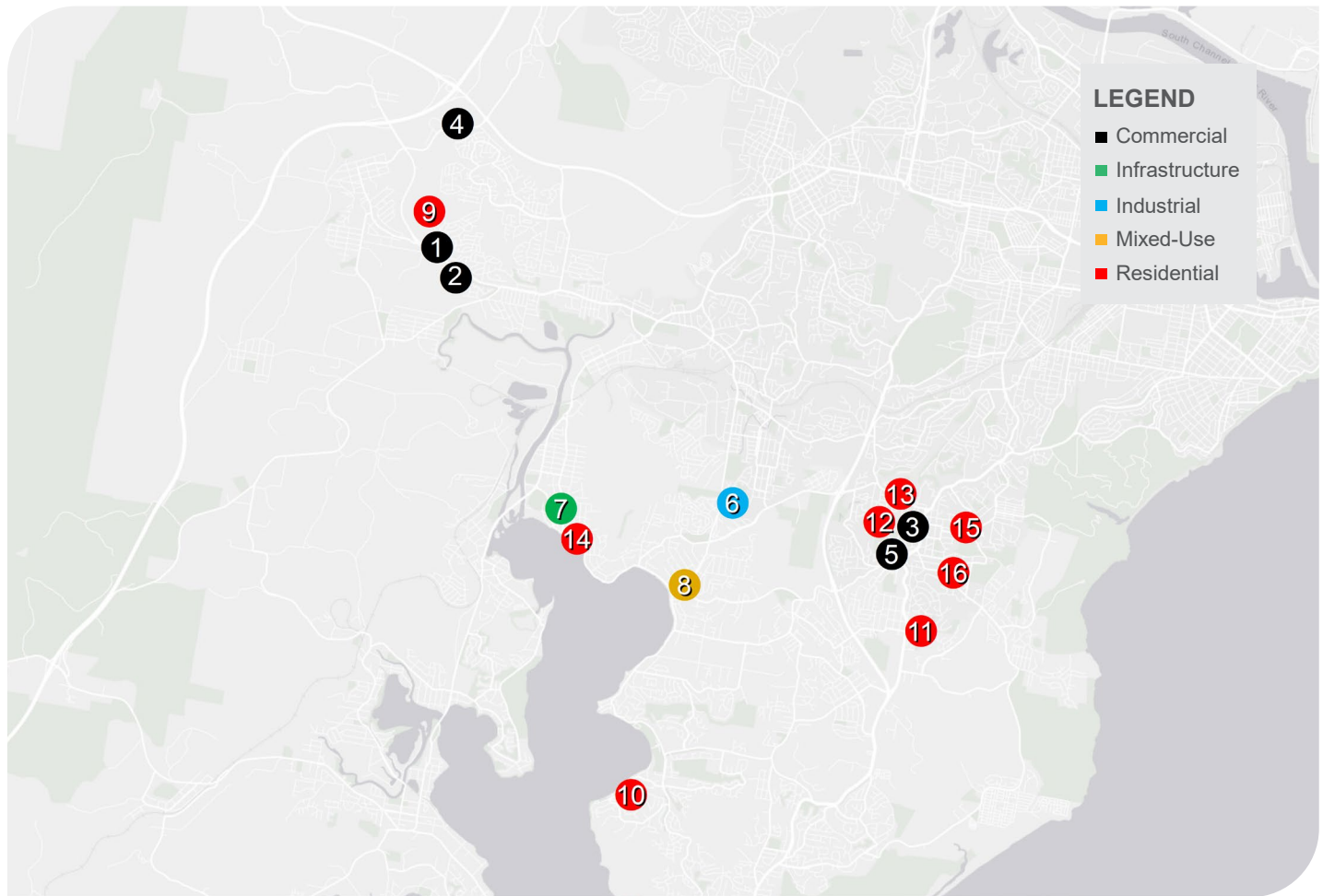
RENTAL VACANCY RATES 2021



RENTAL YIELD 2021\$



TOP DEVELOPMENTS MAP 1ST HALF 2021[Ⓐ]



Location	Project [Ⓔ]	Type	Estimated Value [Ⓗ]	Commence Date [Ⓗ]
1	McDonalds Cameron Park	Commercial	\$3,442,000	24/01/2021
2	KFC Cameron Park	Commercial	\$2,905,000	10/02/2021
3	Charlestown Square Shopping Centre - Target	Commercial	\$1,694,000	18/03/2021
4	Entire Concrete Complete Concreting Solutions	Commercial	\$1,000,000	08/04/2021
5	Club Charlestown	Commercial	\$748,000	13/02/2021
6	Macquarie Road Storage Units	Industrial	\$500,000	18/06/2021
7	Speers Point Park - Multi-arts Pavilion	Infrastructure	\$2,128,000	04/01/2021
8	Charles Street Mixed Use Development (14 Apartments)	Mixed-use	\$2,784,000	15/03/2021
9	Portland Drive Dwellings & Residential Subdivision (53 Dwellings, 53 Lots)	Residential	\$13,860,000	13/03/2021
10	Berringar Road Townhouses (7 Townhouses)	Residential	\$1,900,000	06/05/2021
11	Birkwood CI Residential Subdivision (10 Lots)	Residential	\$1,500,000	16/06/2021
12	Griffiths Street Townhouses (5 Townhouses)	Residential	\$1,200,000	09/01/2021
13	Powell Street Multiple Dwellings	Residential	\$1,150,000	15/05/2021
14	Speers Street Units (3 Units)	Residential	\$700,000	30/03/2021
15	Edward Street Dwellings (3 Dwellings)	Residential	\$530,000	03/03/2021
16	Wakal Street Dwellings (3 Dwellings)	Residential	\$500,000	18/01/2021

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

Lake Macquarie market data and key indicators encapsulates aggregate property market conditions within the suburbs of Warners Bay, Speers Point, Eleebana, Valentine, Cameron Park, and Charlestown.

** 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.

¥ Lake Macquarie market data encapsulates aggregate property conditions within the postcode of 2282.

§ 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 Warners Bay, Speers Point, Eleebana, Valentine, Cameron Park, and Charlestown.

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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