

# Hervey Bay Market Update

## 2<sup>nd</sup> Half 2021



### OVERVIEW

In Q3 2021, Hervey Bay\* recorded a median house price of \$475,000, and a median unit price of \$295,000. This represents annual (Q3 2020 – Q3 2021) median price growth of 24.0% for houses and 8.9% for units. Between Q3 2020 – Q3 2021 total sales slowed, by -28.4% for houses (to 368 sales), however sales increased for units by 11.0% (to 131 sales). Current market conditions indicate an undersupplied house market, as high price growth is accompanied with lower amount of sales. The unit market show real returns in capital investment, with median price and sales volumes travelling upwards.

	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 2021



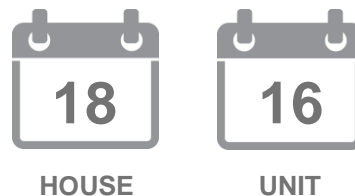
#### SALES AVERAGE DAYS ON MARKET Q3 2021



#### RENTAL MEDIAN PRICE Q3 2021

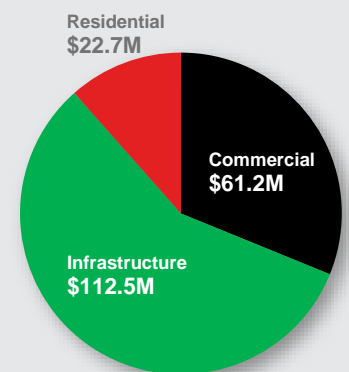


#### RENTAL AVERAGE DAYS ON MARKET Q3 2021



### FUTURE DEVELOPMENTS

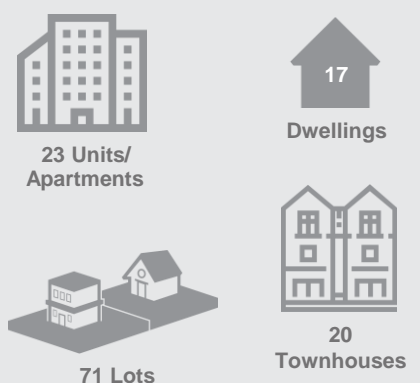
The Hervey Bay\* area is set to see approximately **\$196.4M** worth of new projects commencing in the 2<sup>nd</sup> half of 2021.



A large focus on infrastructure and commercial projects suggest more new businesses and improved services, all of which have the potential to create local job opportunities.

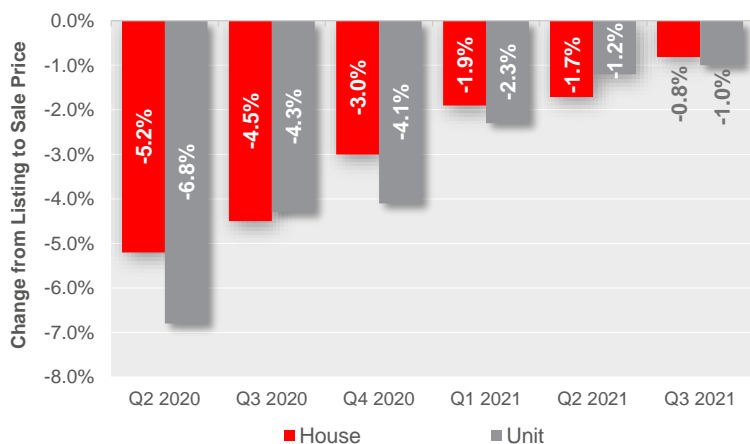
A main infrastructure project in 2<sup>nd</sup> half 2021 is Urangan Harbour Precinct (\$100.0M). This will redevelop the Urangan Harbour Precinct master plan to include short/long term accommodation with restaurants/bars.

A total of \$22.7M of residential projects have been planned, adding 23 units/apartments, 17 dwellings, 20 townhouses and 71 lots to the market. Key projects include: Esplanade Development Site (\$5.0M, 10 Units), Torquay Terrace Townhouses (\$6.0M, 20 townhouses), and Marina Cove (\$4.2M, 17 dwellings).



# 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.

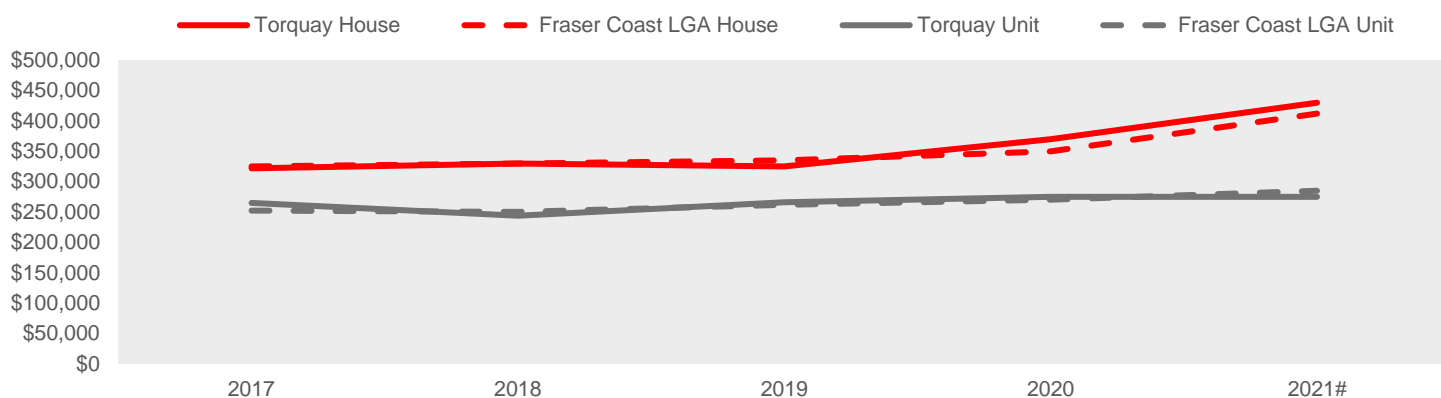


Average vendor discounts between Q3 2020 and Q3 2021 have tightened for both property types, to -0.8% for house and -1.0% for units. Market conditions in Hervey Bay\* have now shifted to favour sellers, where buyers are more willing to offer closer to the first list price to secure their dream home. Now is an ideal time for vendors to sell.

The suburb of Torquay has continued to outperform the wider Fraser Coast Local Government Area (LGA) in regards to house median prices. Units on the other hand have become more affordable, providing an excellent opportunity for first home buyers.

The dominant proportion of homes sold in Hervey Bay\* across 2021^ were priced in the middle price segment of \$400K to \$499K (31.8%). However, units recorded high buyer activity in the lower market or less than \$299K (48.8%). Affordable options are available for units as more supply enters the market.

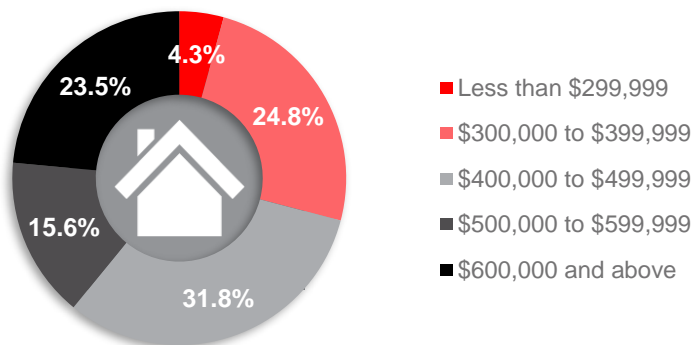
## MEDIAN HOUSE PRICE COMPARISON



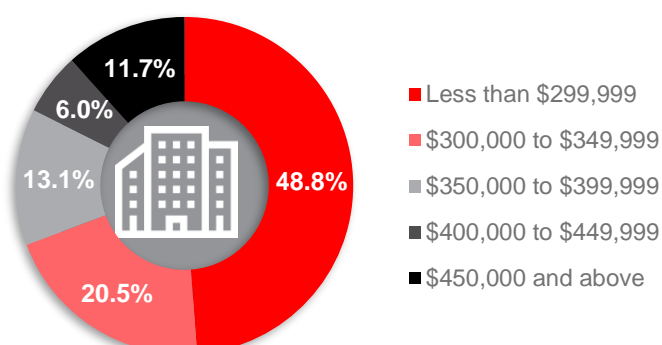
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Torquay.

## PRICE BREAKDOWN 2021^

### HOUSES SOLD



### UNITS SOLD



## RENTAL GROWTH 2021€

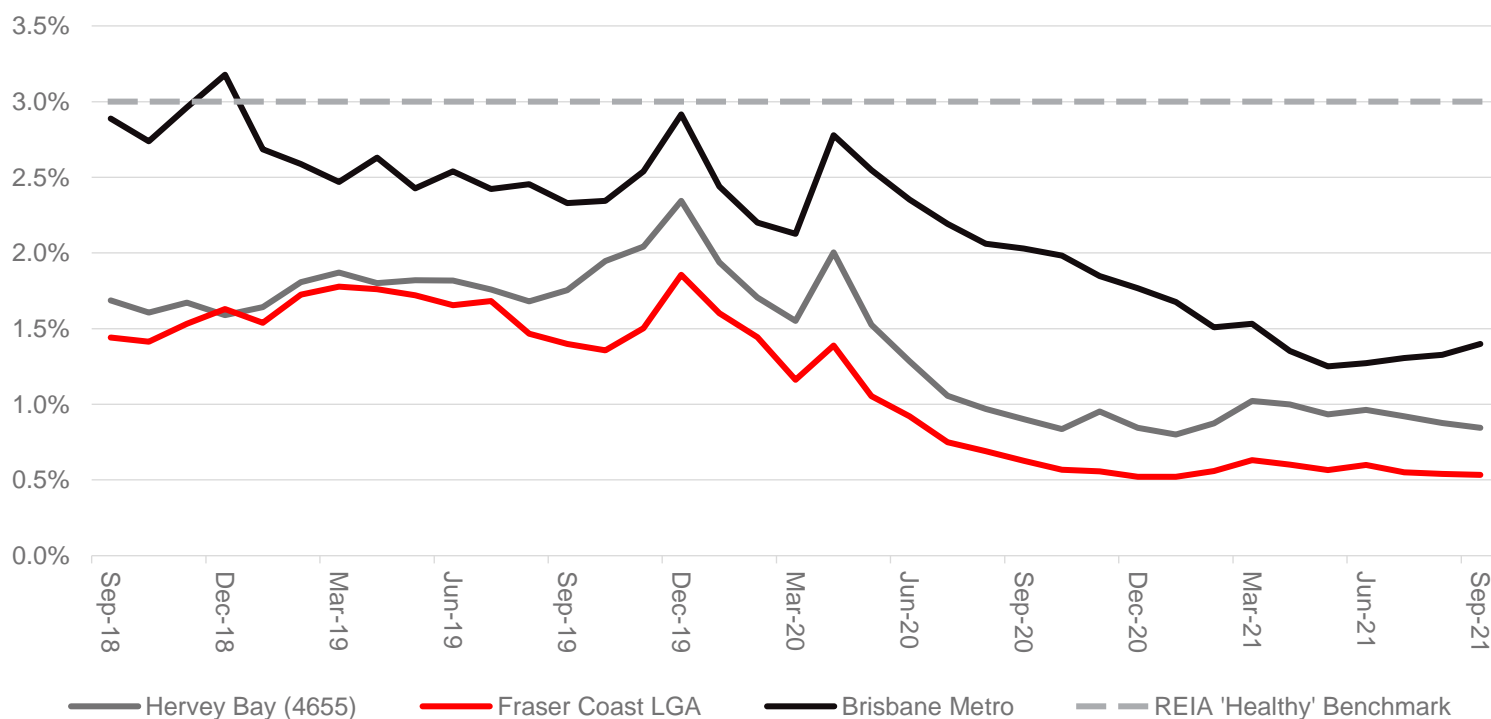
In September 2021, house rental yields in Hervey Bay\* were recorded at 5.4%. In the 12 months to Q3 2021, the median house rental price increased by 15.8% to reach \$440 per week, further complemented with low average days on the market (18 days). There is a healthy rental market in Hervey Bay\*, with investors benefitting from a highly demanded market.

2 bedroom houses have provided investors with +13.3% rental growth annually€, with a median rent of \$340 per week.

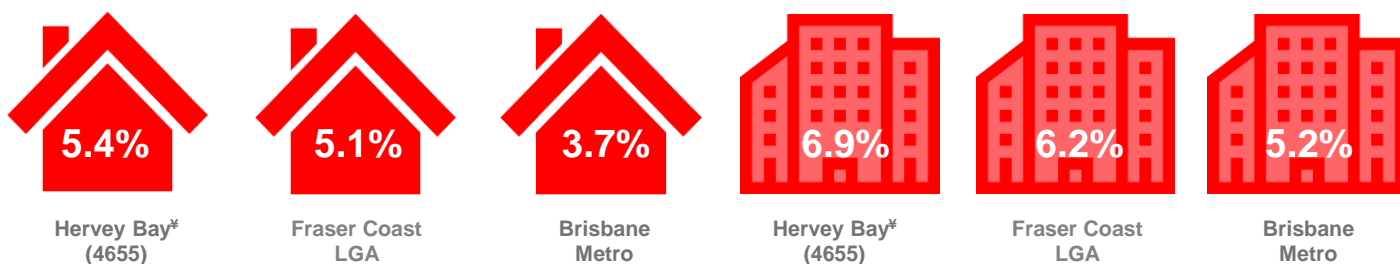
Also in September 2021, Hervey Bay\* recorded a low vacancy rate of 0.8%, slightly above Fraser Coast LGA (0.5%), but well below that of Brisbane Metro (1.4%). Vacancy rates in Hervey Bay\* remain at historical lows over the past 12 months, and below the Real Estate Institute of Australia's healthy benchmark of 3.0%, even amidst COVID-19 recovery conditions. Rental demand continue to increase and investors can be confident of a conducive investment environment in Hervey Bay\*.



## RENTAL VACANCY RATES 2021



## RENTAL YIELD 2021§



# TOP DEVELOPMENTS MAP 2<sup>nd</sup> HALF 2021<sup>Ⓐ</sup>



Location	Project <sup>£</sup>	Type	Estimated Value <sup>Ⓜ</sup>	Commence Date <sup>Ⓜ</sup>
1	Guzman Y Gomez	Commercial	\$400,000	26/07/2021
2	Large Format Retail Centre Hervey Bay	Commercial	\$40,000,000	12/12/2021
3	Bunnings Warehouse Hervey Bay	Commercial	\$15,000,000	29/11/2021
4	Woolworths Hervey Bay Ecomm	Commercial	\$800,000	25/10/2021
5	Urangan Boutique Brewery & Caretakers Residence	Commercial	\$950,000	06/12/2021
6	Hervey Bay Golf Club	Commercial	\$2,500,000	25/08/2021
7	Woolworths Urangan	Commercial	\$1,250,000	20/08/2021
8	Cassandra Crescent Roadworks	Infrastructure	\$816,000	26/07/2021
Not Mapped	Dundowran Road Roadworks	Infrastructure	\$850,000	29/11/2021
10	Caddy Avenue Roadworks	Infrastructure	\$850,000	30/08/2021
11	Urangan Harbour Precinct	Infrastructure	\$100,000,000	11/11/2021
12	Boundary Road Roadworks	Infrastructure	\$10,000,000	13/12/2021
13	Watson Street Units- (4 Units)	Residential	\$1,200,000	08/09/2021
14	Kingston Hervey Bay Residential Estate-(71 Lots)	Residential	\$3,200,000	26/09/2021
15	Marina Cove- (17 Dwellings)	Residential	\$4,250,000	23/12/2021
16	Esplanade Development Site- (10 Units)	Residential	\$5,000,000	13/07/2021
17	Torquay Terrace Townhouses- (20 Townhouses)	Residential	\$6,000,000	12/12/2021
18	King Street Units- (3 Units)	Residential	\$750,000	25/07/2021
19	Torquay Road Units- (3 Units)	Residential	\$750,000	03/08/2021
20	Crescent Street Units- (3 Units)	Residential	\$1,500,000	21/12/2021

## 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.



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# 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.

# 2021 encapsulates sales transactions for 2021 (01/01/2021 – 30/09/2021) only.

^ 2021 encapsulates sales transactions for 2021 (01/01/2021 – 30/09/2021) only.

€ Annual rental growth is a comparison between 2020 (01/01/2020 – 30/09/2020) and 2021 (01/01/2021 – 30/09/2021) house median rent figures.

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

§ Rental yields shown are as reported as of September 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 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 Pricerfinder, Cordell Connect database, SQM Research, Esri ArcGIS.

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