



# Port Stephens Market Update 2nd Half 2021



## OVERVIEW

In Q3 2021, Port Stephens\* recorded a median house price of \$870,000, and a median unit price of \$545,000. This represents annual (Q3 2020 – Q3 2021) median price growth of 28.9% for houses and 17.1% for units. Between Q3 2020 – Q3 2021 total house sales slowed, down by -8.1% (to 125 sales), and total unit sales increased by 4.6% (to 91 sales). There is an undersupply in the Port Stephens\* house market, as exponential price growth is coupled with a lower number of sales transactions. Now is an ideal time for home owners to sell in Port Stephens\*, and 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	↑	↑

## MARKET CONDITIONS

### SALES MEDIAN PRICE Q3 2021



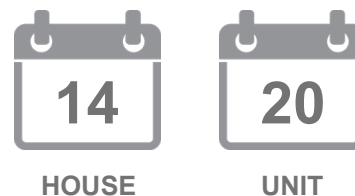
### SALES AVERAGE DAYS ON MARKET Q3 2021



### RENTAL MEDIAN PRICE Q3 2021

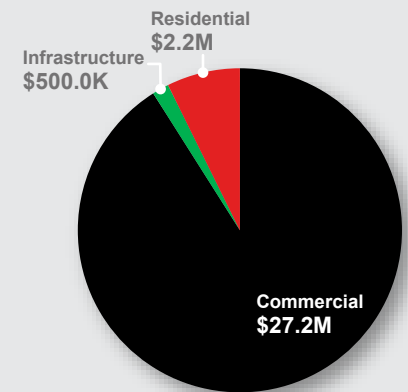


### RENTAL AVERAGE DAYS ON MARKET Q3 2021



## FUTURE DEVELOPMENTS

Port Stephens\* is set to see approximately **\$29.9M** worth of new projects commencing in the 2nd 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.

A major commercial project planned to start construction in January 2022 is the Homemaker Centre at Taylors Beach. This will cater for bulky goods showrooms, medical, childcare, other retail, and an indoor recreation area. PRD Port Stephens play a key role in marketing this project, assisting any parties interested in developing the business park lots. Foreshore Drive Civil Works and Bridging System (\$500K) is a key infrastructure project, which will make it possible to walk or ride a bike from Little Beach to the jetty at Salamander Bay safely.

The Tomaree Road Apartments (\$1.4M, 3 Units) will construct 3 new 4-bedroom units in Shoal Bay whilst the Leonard Avenue Dwellings (\$750K, 5 Dwellings) will see the reconfiguration of existing lots into 5 new residential lots for use.



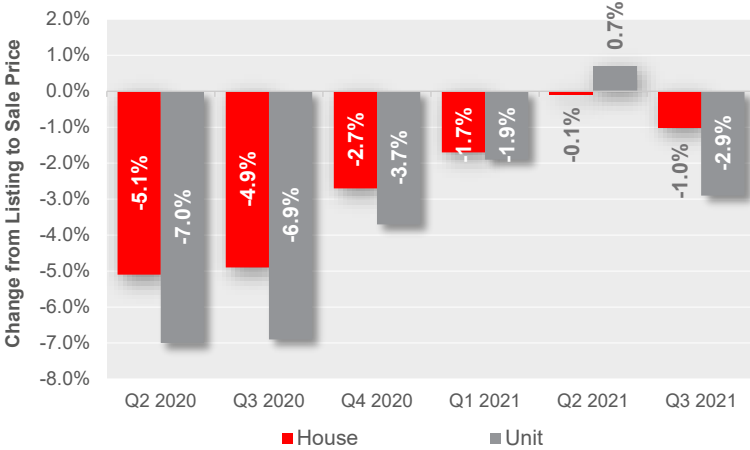
3 Units/  
Apartments



5  
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.

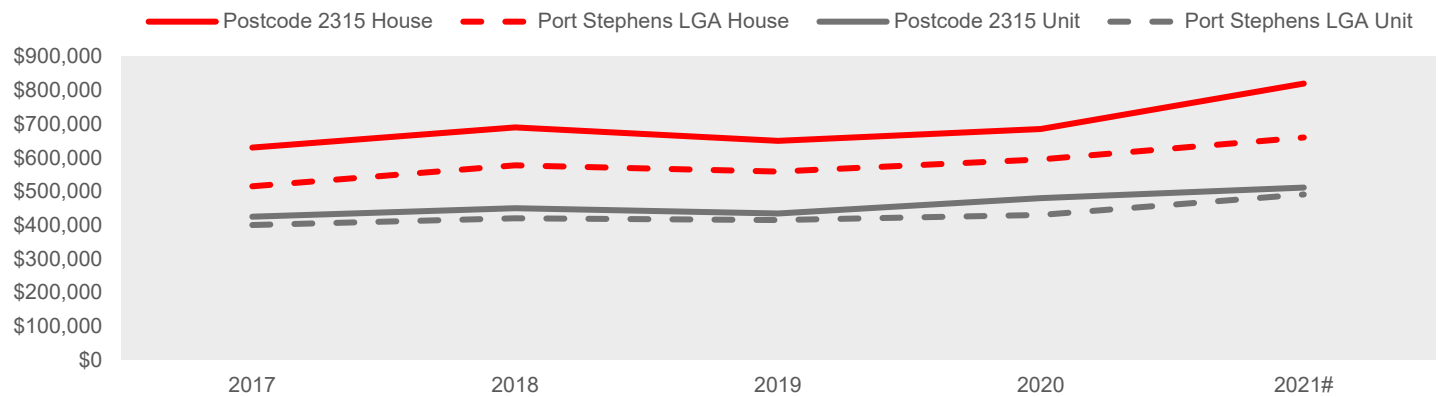


Average vendor discounts between Q3 2020 and Q3 2021 have tightened for both property types, to -1.0% for houses and -2.9% for units. Market conditions have trended to favour sellers since the initial peak of COVID in 2020, where buyers are paying closer to the initial listing price. That said Q3 2021 has seen a slight easing back from the premium conditions seen in Q2 2021.

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 in 2021#.

The dominant proportion of homes sold in Port Stephens\* across 2021^ were in the premium price point of \$950,000 and above (34.7%). Units recorded a dominant premium price point of \$650,000 and above (30.8%). That said there is still a wide range of price points available for buyers with different budgets.

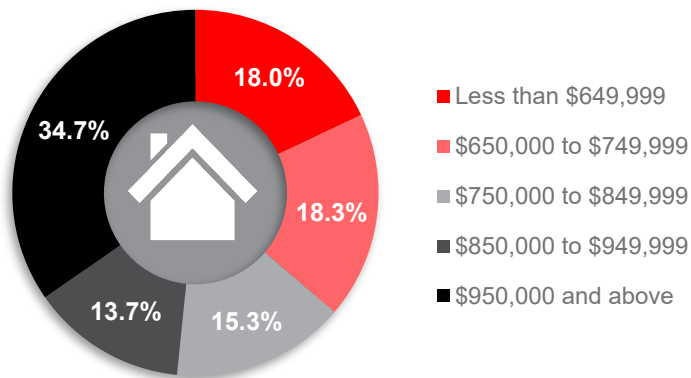
## MARKET COMPARISON



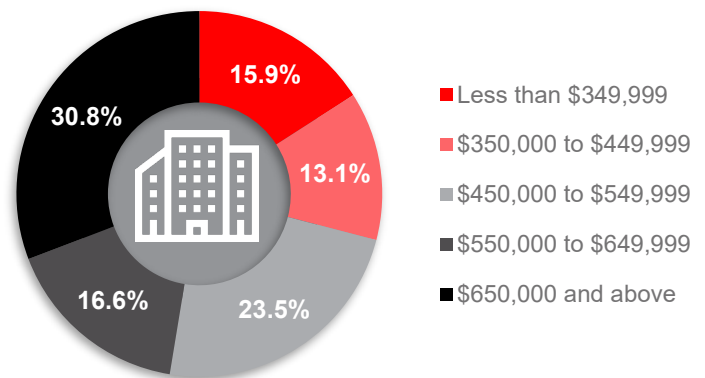
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Postcode 2315.

## PRICE BREAKDOWN 2021^

### HOUSES SOLD



### UNITS SOLD

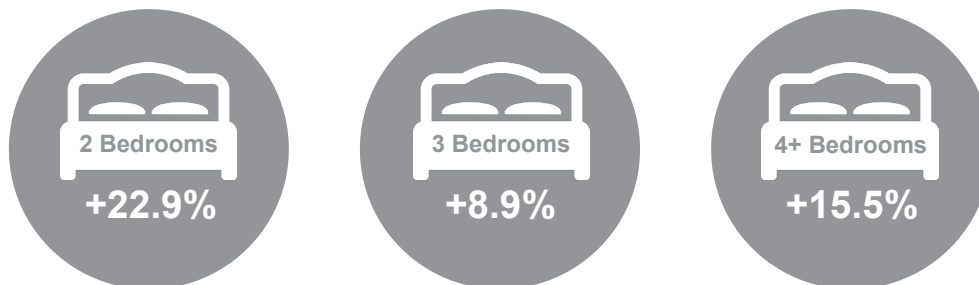


## RENTAL GROWTH 2021€

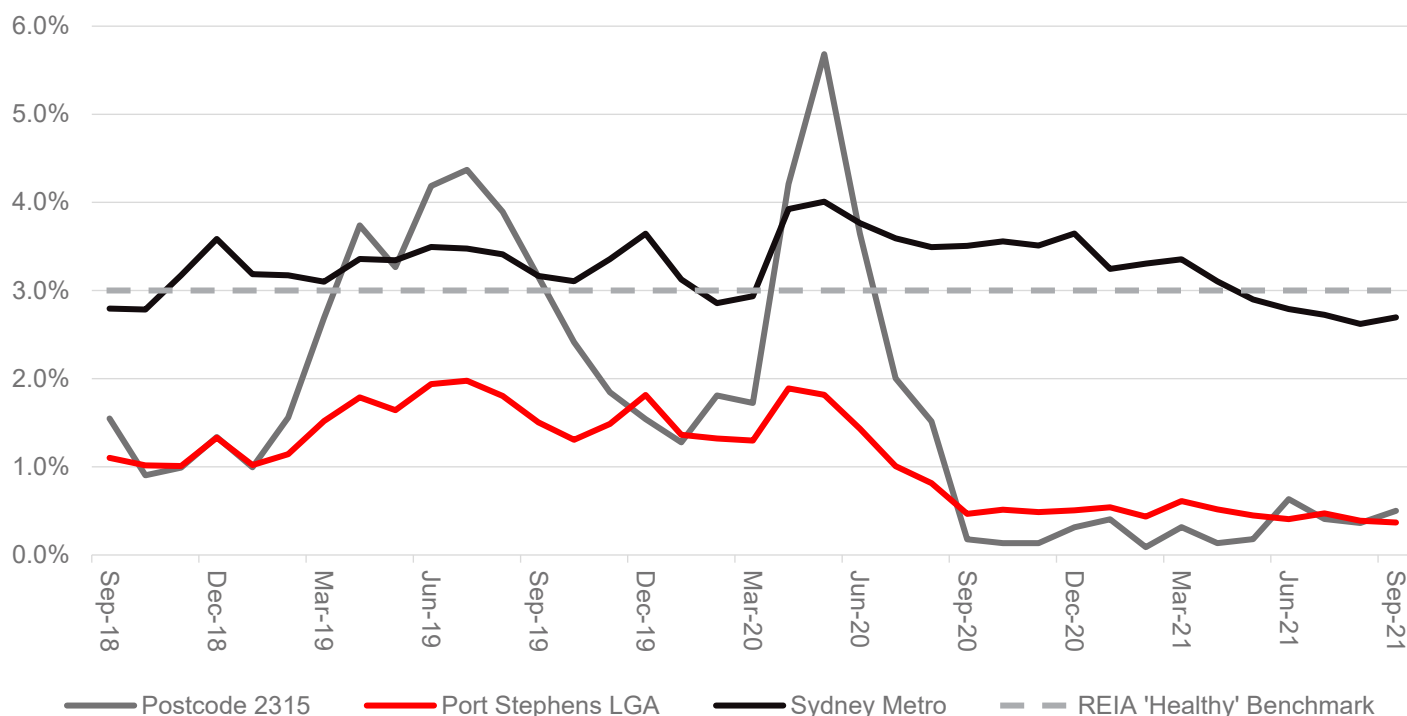
In September 2021, house rental yields in Postcode 2315\* were recorded at 3.6%. In the 12 months to Q3 2021 the median house rental price increased by 15.8% to reach \$550 per week, further complemented with average days on the market declining by -22.2% (to 14 days). Overall this represents a strong rental market for investors throughout 2021 and in 2022.

2 bedroom houses have provided investors with +22.9% rental growth annually€, with a median rent of \$430 per week.

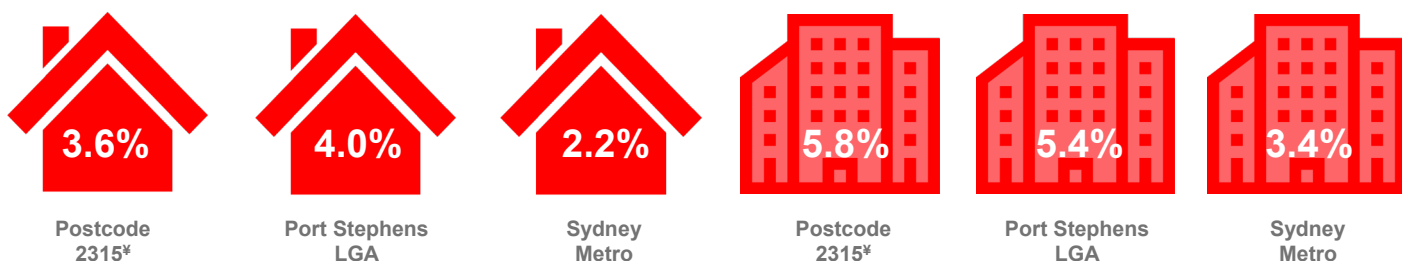
Also in September 2021, Postcode 2315\* recorded a vacancy rate of 0.5%, slightly above Port Stephens LGA (0.4%) but well below Sydney Metro (2.7%). Vacancy rates in Postcode 2315\* have dropped significantly since the peak of COVID-19 in mid-2020 and have trended low since September 2020, well below the Real Estate Institute of Australia's benchmark of 3.0%. A healthy rental demand exists and investors can be confident of a conducive investment environment in the area.



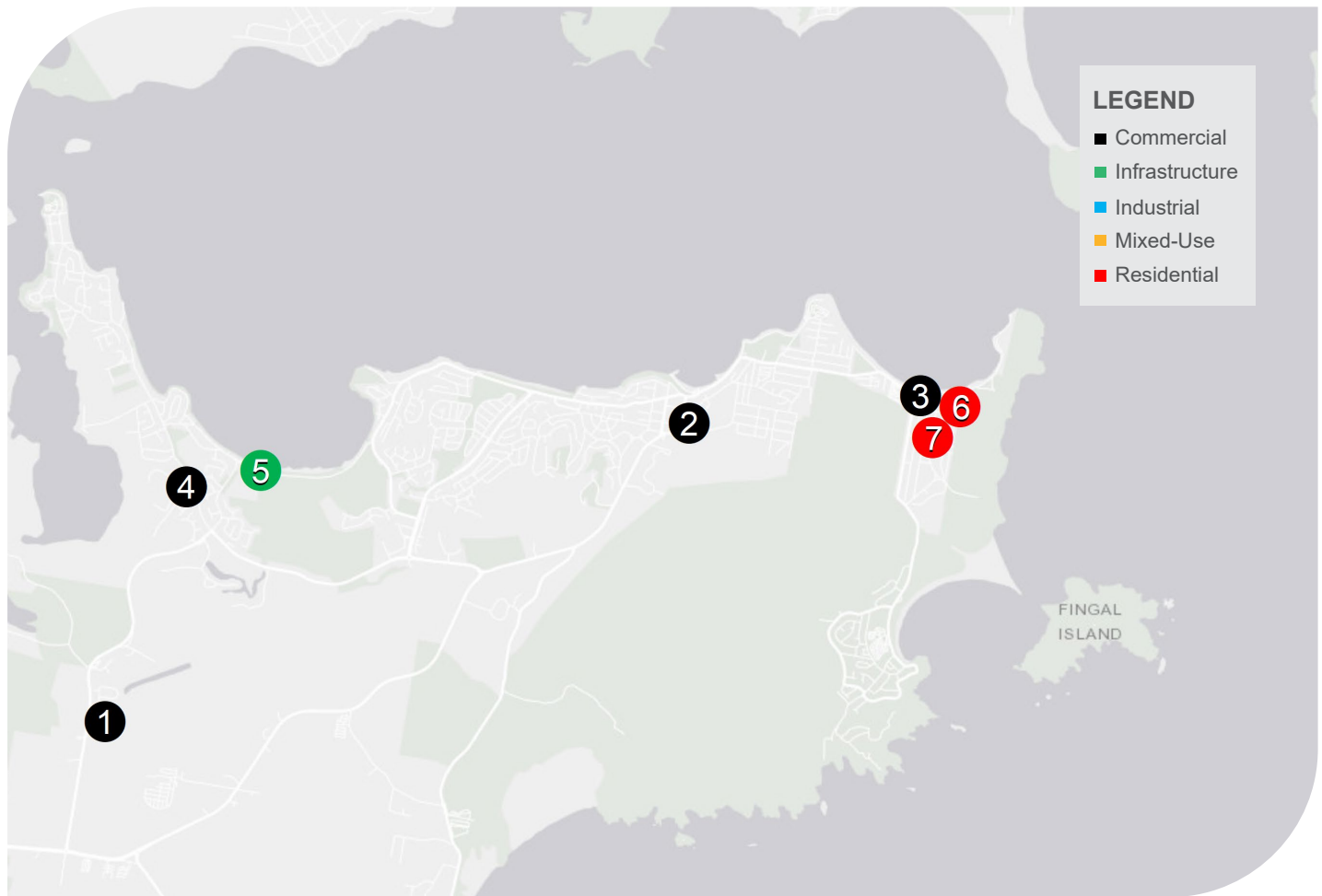
## RENTAL VACANCY RATES 2021



## RENTAL YIELD 2021\$



# TOP DEVELOPMENTS MAP 2ND HALF 2021<sup>▲</sup>



Location	Project <sup>€</sup>	Type	Estimated Value <sup>€</sup>	Commence Date <sup>ψ</sup>
1	Homemaker Centre Taylors Beach	Commercial	\$25,819,000	31/01/2022
2	Yacaaba Street Dental Surgery	Commercial	\$800,000	20/12/2021
3	Newcastle & Port Stephens Game Fish Club	Commercial	\$450,000	26/07/2021
4	Salamander Bay Recycling	Commercial	\$170,000	08/09/2021
5	Foreshore Drive Civil Works & Bridging System	Infrastructure	\$500,000	21/10/2021
6	Tomaree Road Apartments (3 Units)	Residential	\$1,438,000	06/10/2021
7	Leonard Avenue Dwellings (5 Dwellings)	Residential	\$750,000	15/10/2021

## 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 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.

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

§ 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 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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