



Lake Macquarie Market Update 1st Half 2022



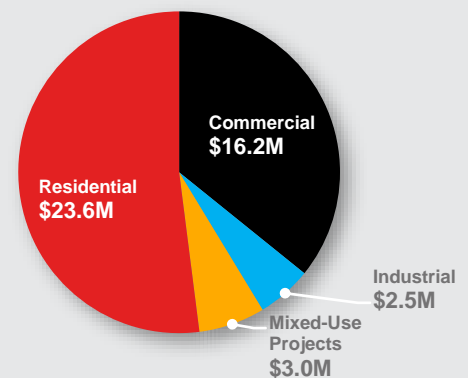
OVERVIEW

In Q1 2022, Lake Macquarie* recorded a median house price of \$991,000, and a median unit price of \$607,000. This represents annual (Q1 2021 – Q1 2022) median price growth of 27.9% for houses and 6.5% for units. Total sales decreased between Q1 2021 – Q1 2022, by -30.2% (to 173 sales) for houses and by -44.4% *(to 40 sales) for units. Confidence has returned to Lake Macquarie*, with properties in high demand. Houses in particular suggest real returns on investment, with the market heavily undersupplied and double digit price growth. Now is an ideal time for owners and down-sizers to transact.

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

FUTURE DEVELOPMENTS

Lake Macquarie* is set to see approximately **\$45.3** worth of new projects commencing in the 1st half of 2022.



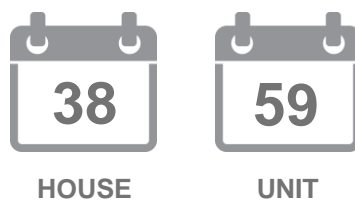
These projects will stimulate economic growth and create large employment opportunities in Lake Macquarie*. A spill-over impact on the real estate market would be in the form of an increase in demand, however a large portion of residential projects could mitigate this.

MARKET CONDITIONS

SALES MEDIAN PRICE Q1 2022



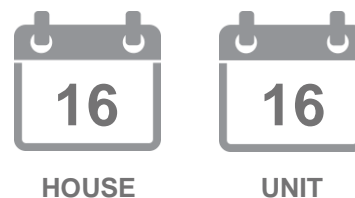
SALES AVERAGE DAYS ON MARKET Q1 2022



RENTAL MEDIAN PRICE Q1 2022

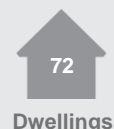


RENTAL AVERAGE DAYS ON MARKET Q1 2022



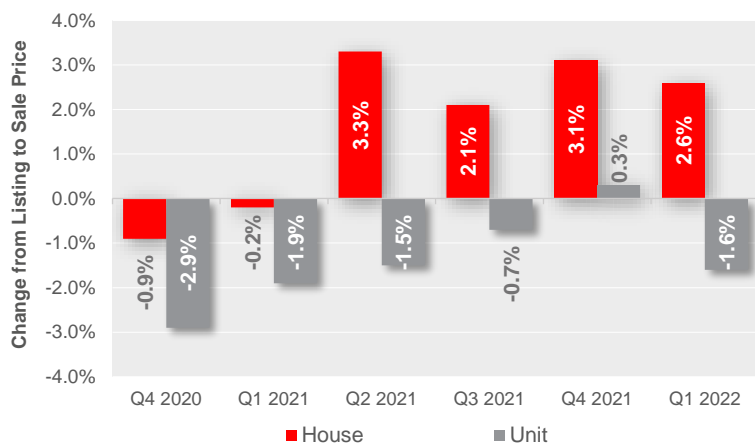
A main residential project over the 1st half of 2022 is the Butterworth Street Dwellings and Residential Subdivision (\$13.86M). The project will add 53 lots, allowing buyers to access multiple Government grants should they wish to build. Ready-to-sell house stock is planned, which will assist with high demand.

Harrigan's Irish Pub (\$7M) is a key commercial development that will comprise of a single floor hotel, as well as bars, lounges and eating areas. This will add vibrancy to the area's domestic tourism industry, as well as improve services for local residents.



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.

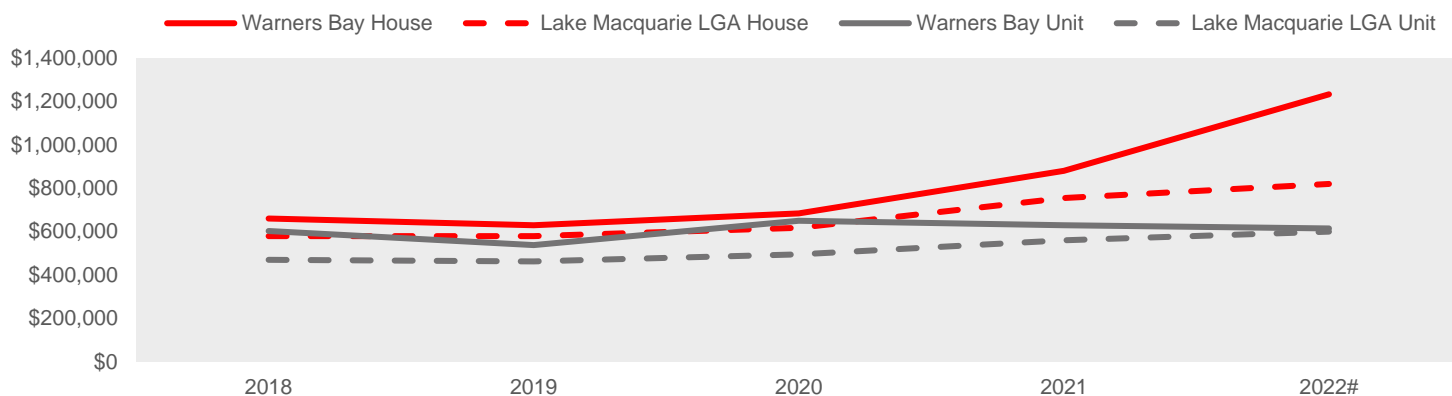


Average vendor discounts between Q1 2021 and Q1 2022 have swung to a premium of 2.6% for houses and tightened to -1.6% for units. Market conditions in Lake Macquarie* continue to favour house vendors, as buyers need to offer above the initial listing price. Unit buyers can again benefit from a discount, after average vendor discount briefly swung to a premium in Q4 2021.

The suburb of Warners Bay has outperformed the wider Lake Macquarie Local Government Area (LGA) in both house and unit median prices. This continued to be the case in 2022# for houses, trending toward a premium market. Units have become more on-par with the LGA, creating an opportunity for buyers.

The dominant proportion of homes sold in Lake Macquarie* across 2021/22^ were in the premium price point of \$900,000 and above (32.0%). Units recorded a dominant middle-price point between \$500,000 and \$599,000 (24.4%); with a slightly more balanced level of available stock for buyers with differing budgets.

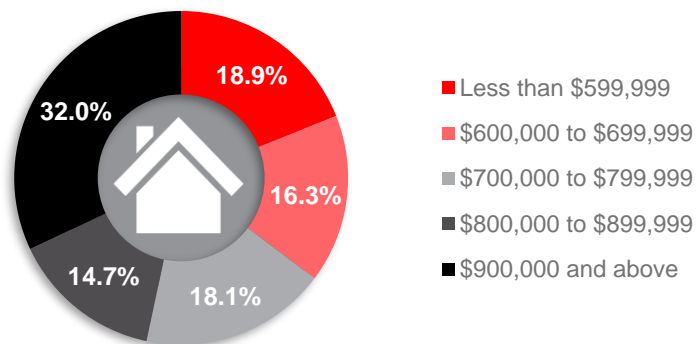
MARKET COMPARISON



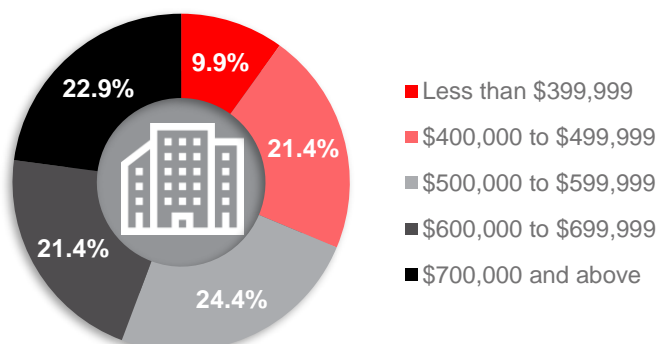
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Warners Bay.

PRICE BREAKDOWN 2021/22^

HOUSES SOLD



UNITS SOLD



RENTAL GROWTH 2022€

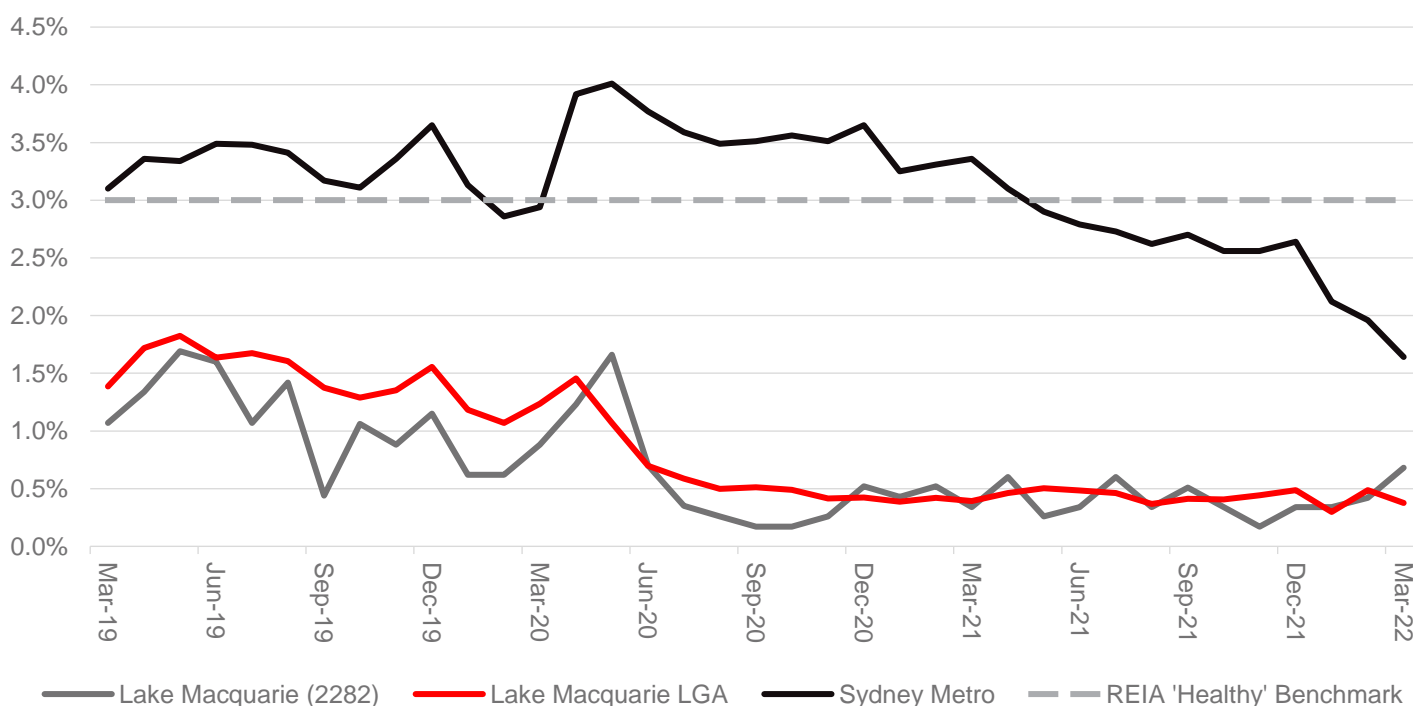
Over the past 12 months, house rental yields in Lake Macquarie* have slightly softened to sit at 3.0% in March 2022. This is an expected dynamic shift in the market, as median house sale price grew by 27.9% while median house rental price grew by 22.6% in the same time frame. That said the amount of properties rented increased by 11.6% (to 135 rentals) in the 12 months to Q1 2022, fetching \$650 per week and average days on market remaining a low 16 days.

4+ bedroom houses have provided investors with +16.1% rental growth annually, achieving a median rent of \$650 per week.

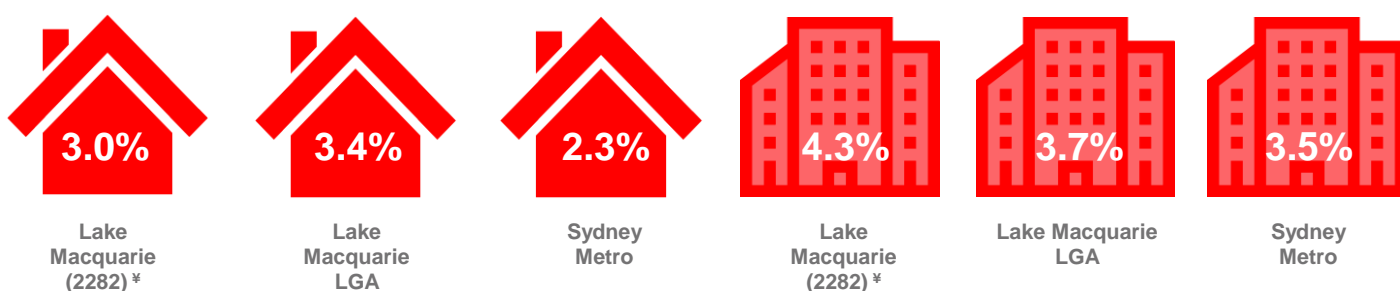
Lake Macquarie* recorded a vacancy rate of 0.7% in March 2022, which is well below Sydney Metro's 1.6% average. Vacancy rates in Lake Macquarie* have held steady over the past 12 months, indicating stability in rental demand. Through COVID-19 Lake Macquarie* vacancy rates only spiked to 1.7%, below Sydney Metro (4.0%) and comparable to pre-COVID-19 vacancy rates in April/May 2019. These indicators suggest a conducive and sustainable environment for investors.



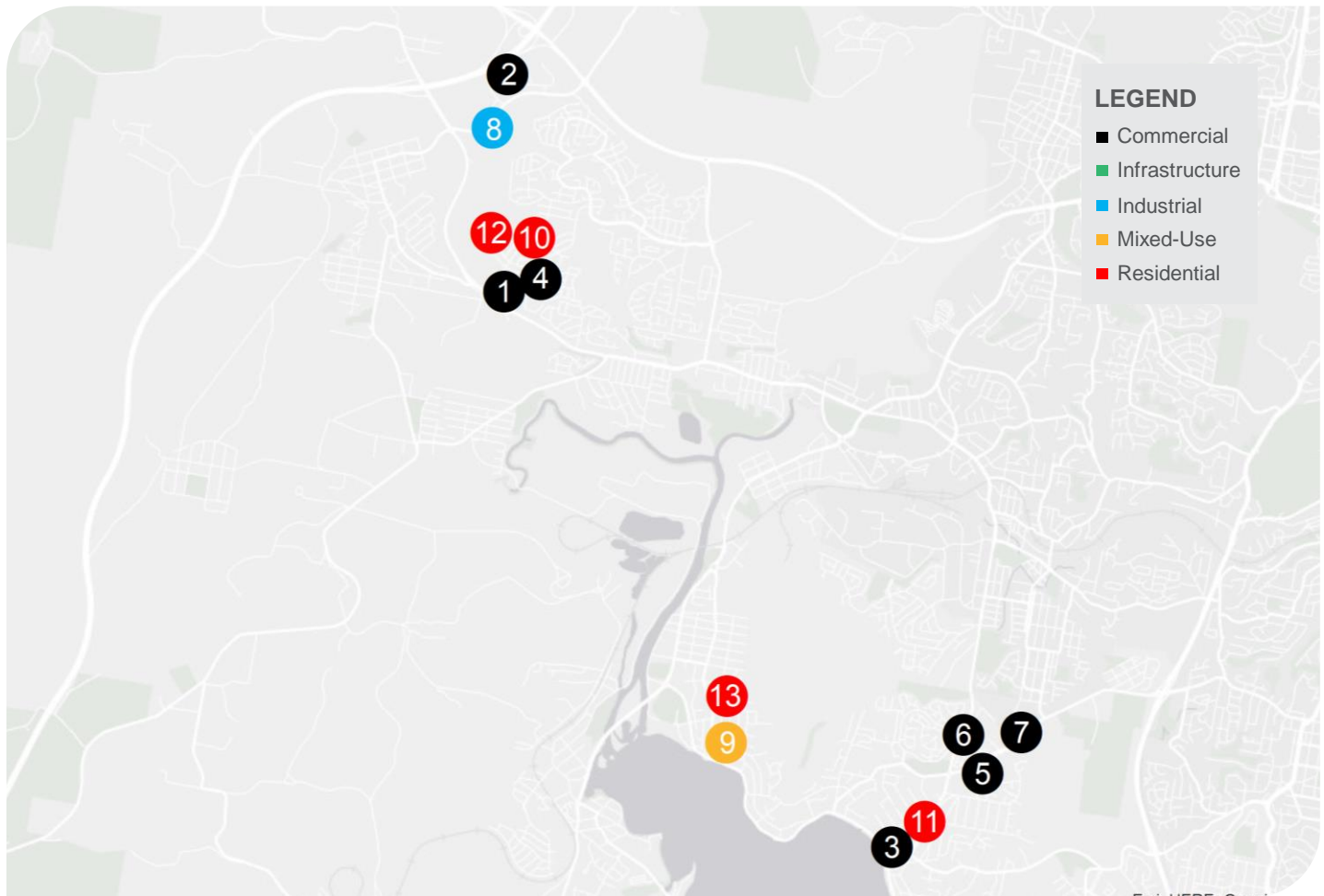
RENTAL VACANCY RATES 2022



RENTAL YIELD 2022§



TOP DEVELOPMENTS MAP 1st HALF 2022[▲]



Location	Project [£]	Type	Estimated Value ^µ	Commence Date ^ψ
1	Harrigans Irish Pub - Pambulong Forest	Commercial	\$7,000,000	18/04/2022
2	Stenhouse Drive Community & Commercial Development	Commercial	\$3,855,000	16/03/2022
3	The Esplanade Commercial & Community Development	Commercial	\$2,621,000	18/05/2022
4	EQ Fuel Cameron Park	Commercial	\$1,389,000	12/05/2022
5	Warners At The Bay	Commercial	\$790,000	24/04/2022
6	ABC Orthodontics	Commercial	\$400,000	11/04/2022
7	Hillsborough Road Recreation Facility	Commercial	\$200,000	06/05/2022
8	Billbrooke Close Industrial Buildings	Industrial	\$2,500,000	16/06/2022
9	Speers Street Mixed Use Development	Mixed-use	\$3,020,000	06/06/2022
10	Butterworth Street Dwellings & Residential Subdivision (53 Lots / 53 Dwellings)	Residential	\$13,860,000	20/06/2022
11	King Street Mixed Use Development (12 Units)	Residential	\$4,900,000	15/06/2022
12	Portland Drive Dwellings (14 Dwellings)	Residential	\$3,612,000	29/04/2022
13	Lakeview Street Dwellings (5 Dwellings)	Residential	\$1,200,000	13/03/2022

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.



Team Ashcroft
Residential Sales
E teamashcroft@prdnewcastle.com.au

PRD Newcastle & Lake Macquarie
P +61 2 4926 0600



Mark Kentwell
Managing Director
E mark@prdnewcastle.com.au

115/1 Howard Street
Warners Bay NSW 2282

PRD.com.au/lakemacquarie

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, Charlestown .

** Estimated values are based on construction value provided by the relevant data authority and does not reflect commercial and/or re-sale value.

2022 encapsulates sales transactions for Q1 2022 (01/01/2022 – 31/03/2022) only.

^ 2021/22 encapsulates sales transactions for 2021 & Q1 2022 (01/01/2021 – 31/03/2022).

€ Annual rental growth is a comparison between 2021 (01/01/2021 – 31/03/2021) and 2022 (01/01/2022 – 31/03/2022) 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 2022.

⌘ 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 Lake Macquarie Local Government Area (LGA).

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.

Disclaimer: PRD does not give any warranty in relation to the accuracy of the information contained in this report. If you intend to rely upon the information contained herein, you must take note that the information, figures and projections have been provided by various sources and have not been verified by us. We have no belief one way or the other in relation to the accuracy of such information, figures and projections. PRD will not be liable for any loss or damage resulting from any statement, figure, calculation or any other information that you rely upon that is contained in the material.

Prepared by PRD Research. © All medians and volumes are calculated by PRD Research. Use with written permission only. All other responsibilities disclaimed. © Copyright PRD 2022.