

> Tomaree Market Update

2022

SALES

Commercial

The median commercial sale price in Tomaree* was \$4,075 per sqm for H2 2021. This represents half-yearly (H1 2021 – H2 2021) price growth of 26.3%. That said, annual growth over the 12 month period price (H2 2020 - H2 2021) softened by -4.6%. Market activity increased significantly from H2 2020 - H2 2021, by 266.7% to 11 sales. The Tomaree* commercial market has seen a significant increase for the whole of 2021, indicative of more business activity and local jobs being created.



\$4,075

Median commercial sale price per sqm in Tomaree (H2 2021)

11

Total commercial property sales in Tomaree (H2 2021)

\$2,560

Median industrial sale price per sqm in Tomaree (H2 2021)

9

Total industrial property sales in Tomaree (H2 2021)

INTRODUCTION

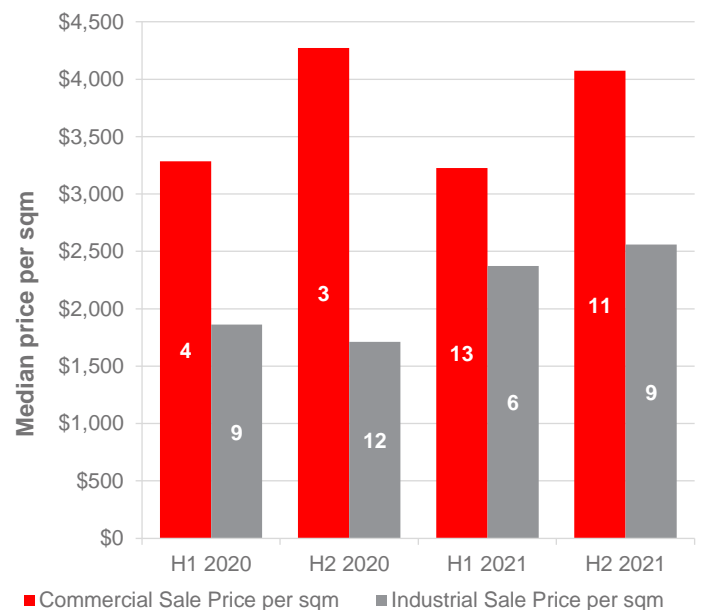
Positioned within the Local Government Area of Port Stephens, Tomaree* stretches from Bobs Farm to Shoal Bay, encapsulating the area within postcodes 2315, 2316, and 2317. This area is noted particularly for its commercial precincts, which include office and retail uses, as well as strata industrial properties.

The following report focuses on these property types specifically, reporting and analysing their sales and leasing activity over the past 12 months to the end of 2H 2021, as well as recent and future development in the area. When combined, these elements provide a holistic understanding of the state of the Tomaree* commercial and industrial property markets.

SALES

Industrial

In contrast to the commercial market, the median price per sqm for industrial properties in Tomaree* reflected a lower price point of \$2,560 per sqm in H2 2021. This represents half-yearly (H1 2021 – H2 2021) median price growth of 7.9%, and annual price growth (H2 2020 – H2 2021) of 49.4%. Sales of industrial properties in Tomaree* remain limited (with just 9 sales occurring in H2 2021), however this is not unusual for the area. This trend suggests industrial properties in Tomaree* are in high demand, consistent with other areas in New South Wales throughout COVID-19.



LEASING

Commercial

The median commercial net lease rate for Tomaree* in H2 2021 was at \$367 per sqm. This represented a softening of -8.3% in the six months since H1 2021, however represents 63.9% increase in the 12 months since H2 2020. Leasing activity slowed in H2 2021 with only 8 leases, lower than 12 leases in H2 2020. That said, only 5 leases in H2 2021 had a disclosed net lease rate per sqm, making the data more volatile than what is potentially occurring in the market.



\$367

Median commercial net lease rate per sqm in Tomaree (H2 2021)

8

Number of half-yearly commercial leases in Tomaree (H2 2021)

\$221

Median industrial net lease rate per sqm in Tomaree (H2 2021)

4

Number of half-yearly industrial leases in Tomaree (H2 2021)

LEASE BREAKDOWN

Leases commencing in H2 2022 in Tomaree* showed significant variation by type and sector.

A majority of 80% commercial leases were taken on a Gross basis (based on 5 known leases).

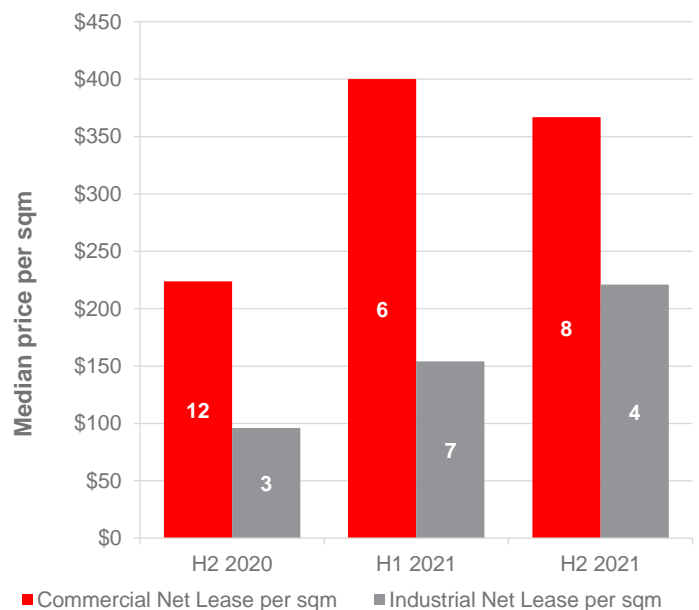
The lease type in Tomaree's* industrial market was evenly split (based on 4 known leases), between gross and nett basis.

Leasing appears to be a more popular option in the commercial sector, whilst out-right sale was more common in the industrial sector. This could be due to a lower entry price for industrial sector in Tomaree*, and/or uncertainties in the retail and hospitality sectors due to COVID-19 after-effects.

LEASING

Industrial

Tomaree's* median industrial net lease rate was recorded at \$221 per sqm for H2 2021. This rate signified a price increase of 43.5% in the six months since H1 2021 and an increase of 130.2% in the 12 months since H2 2020. Leasing activity for industrial properties remains highly limited, with just 4 leases for H2 2021. This is a slowdown compared to the past six months, however on the flip-side industrial sales have increased. This suggests a potential turn in the market, wherein there is a higher confidence for industrial products, due to a change in consumer behaviour (i.e more online purchases as opposed to brick mortar).



Note: The numbers within the bar graph indicate the number of rentals which occurred in each half-year.
 *Tomaree market data and key indicators encapsulates aggregate property market conditions in the postcodes 2315, 2316, and 2317.
 **Lease data is representative of a limited number of overall transactions within a period and is not exhaustive. Leases have been selected based on comparability in terms of size, age, and location within Tomaree. *Median Net per sqm is calculated only on leases where this information was clearly disclosed or determinable from an advertised floor area and net rental amount for the lease.
 Source: APM Pricerfinder, commercialrealestate.com.au © Copyright PRD 2022.

RECENT SALES

COMMERCIAL

Property Address	Sale Price	Area (sqm)	Price per sqm	Sale Date
1/167 Salamander Way, Salamander Bay	\$1,265,500	329	\$3,846	Dec-21
118 Gan Gan Rd, Anna Bay	\$5,500,000	N/A	N/A	Nov-21
14/34 Stockton St, Nelson Bay	\$470,000	106	\$4,433	Aug-21
1/6-10 Market St, Fingal Bay	\$187,500	57	\$3,298	Jul-21
6/10 Yacaaba St, Nelson Bay	\$280,000	63	\$4,444	Apr-21
7/63 Donald St, Nelson Bay	\$360,000	72	\$5,000	Dec-21
87 Magnus St, Nelson Bay	\$1,226,500	285	\$4,303	Dec-21
1/35 Stockton St, Nelson Bay	\$435,000	135	\$3,222	Jul-21
18/34 Stockton St, Nelson Bay	\$540,000	84	\$6,428	Aug-21
1/7 Sky Cl, Taylors Beach	\$1,315,000	402	\$3,223	Aug-21

INDUSTRIAL

Property Address	Sale Price	Area (sqm)	Price per sqm	Sale Date
14-16 George Rd, Salamander Bay	\$1,335,000	N/A	N/A	Dec-21
6/7 Kara Cres, Taylors Beach	\$395,000	163	\$2,423	Dec-21
5/6C Commerce Cl, Taylors Beach	\$124,000	46	\$2,696	Dec-21
1/157 George Rd, Salamander Bay	\$198,000	70	\$2,828	Apr-21
2/23 Shearwater Dr, Taylors Beach	\$530,000	164	\$3,231	Nov-21
2/41 Shearwater Dr, Taylors Beach	\$271,150	130	\$2,085	Nov-21
3/27 George Rd, Salamander Bay	\$200,000	100	\$2,000	Oct-21
5/39 Shearwater Dr, Taylors Beach	\$400,000	114	\$3,478	Oct-21
11/7 Kara Cres, Taylors Beach	\$385,000	219	\$1,757	Jun-21
10/15 Shearwater Dr, Taylors Beach	\$320,000	88	\$2,560	Oct-21

RECENT LEASES

COMMERCIAL

Property Address	Lease Value	Lease Type	Area (sqm)	Price per sqm	Lease Date
25a/45 Donald St, Nelson Bay	\$8,424	Gross	12	\$702	Nov-21
8/45 Donald St, Nelson Bay	\$15,080	Gross	40	\$377	Oct-21
Shop 20A/23 Stockton St, Nelson Bay	\$14,300	Gross	39	\$367	Oct-21
Shop 20b/23 Stockton St, Nelson Bay	\$14,300	Gross	39	\$367	Oct-21
10/63 Shoal Bay Rd, Shoal Bay	\$30,000	Net	90	\$333	Oct-21
Suite 5/6 Central Avenue, Salamander Bay	\$15,000	Net	24	\$625	Jun-21
6/45 Donald St, Nelson Bay	\$11,960	Gross	28	\$424	Nov-21
2 Keel St, Salamander Bay	\$13,200	Gross	41	\$1,395	Sep-21

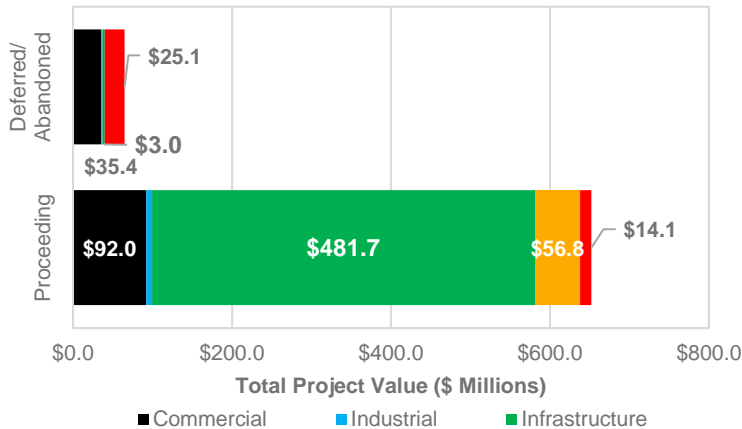
INDUSTRIAL

Property Address	Lease Value	Lease Type	Area (sqm)	Price per sqm	Lease Date
1/35 Shearwater Dr, Taylors Beach	\$18,200	Net	78	\$233	Jul-21
1/9 George Rd, Salamander Bay	\$8,460	Gross	24	\$352	Nov-21
6/15 Shearwater Dr, Taylors Beach	\$22,000	Gross	142	\$154	Nov-21
2/16 Shearwater Dr, Taylors Beach	\$25,020	Net	119	\$210	Nov-21
3/157 George Rd, Salamander Bay	\$13,000	Net	86	\$151	Apr-21
1/37 Shearwater Dr, Taylors Beach	\$18,200	Gross	N/A	N/A	Jun-21
2/147 George Rd, Taylors Beach	\$22,204	Net	225	\$98	Jul-21
2A/8 Central Av, Salamander Bay	\$73,920	Net	231	\$320	Jul-21
1/27 George Rd, Taylors Beach	\$15,860	Net	101	\$157	Feb-21
6/37 Shearwater Dr, Taylors Beach	\$18,200	Gross	N/A	N/A	Jun-21

PROJECT DEVELOPMENT

2021-2023 OVERVIEW

Tomaree* is set to benefit from an estimated \$652.1M of future development, scheduled to commence between 2021-2023. There are 57 major projects due to commence, which represents 90.9% of the original development pipeline. Approximately \$64.9M (or 9.1%) of projects are either deferred or abandoned.



2022 represents a strong rebound from a slower level of development year in 2021. This is likely due to returning confidence beyond the initial uncertainties of COVID-19. It is clear commercial development is the priority in 2022, which is a clear symbol for economic growth and local job creation. Residential and industrial projects are back in 2022, which provide a healthier balance to the area. Looking forward to 2023, project development is proposed to ramp up significantly. 12 projects due to commence, estimated at \$551.4M.

Proceeding Projects: Total Estimated Value

	2021	2022	2023
Commercial	\$32.6M	\$41.0M	\$18.2M
Industrial	-	\$7.5M	-
Infrastructure	\$18.4	\$200K	\$463.0M
Mixed-Use	-	-	\$56.8M
Residential	-	\$14.1M	\$13.2M
Total	\$51.2M	\$62.7M	\$551.4M

Proceeding Projects: Total Project Count

	2021	2022	2023
Commercial	7	11	3
Industrial	-	1	-
Infrastructure	6	1	2
Mixed-Use	-	-	4
Residential	-	5	3
Total	13	18	12

1ST HALF 2022 OVERVIEW

A key project for the 1st half of 2022 is the \$23.0M Soldiers Point Road Seniors Housing Development. This project will bring a 7 storey seniors housing development to comprise of 62 self contained dwellings. This will provide an opportunity for local employment creation in the long-term, while also offering jobs in the construction process.

Key residential projects for the 1st half of 2022 include Bagnall Avenue Units (\$2.9M, 8 units) and Kingsley Drive Dwellings (\$1.5M, 6 dwellings), which will cater for the increase in demand for housing.

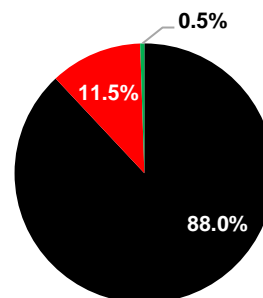
1st Half 2021 Proceeding Project Breakdown

	Project Value	Total Projects
Commercial	\$34,185,000	7
Industrial	-	-
Infrastructure	\$200,000	1
Mixed-Use	-	-
Residential	\$4,455,000	2
Total	\$38,840,000	10

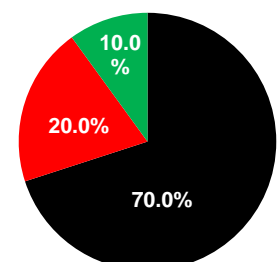
The \$7.5M ALDI Salamander Bay project is another key commercial project for the 1st half of 2022. The project is set to see a new supermarket in a 5 aisle retail configuration, along with amenities including staff area and rear storage with loading dock, as well as car parking for 119 vehicles. Commercial projects play an important role within Tomaree*, in ensuring that various types of employment are viable within the local area. An economic uplift can potentially result in higher demand for local property stock.

Interestingly infrastructure is not a key focus in 2022, but it makes up the bulk of projects for 2023. This improves liveability for residents in the long term.

Projects by Value



Projects by Count



■ Commercial ■ Industrial ■ Residential
■ Infrastructure ■ Mixed-Use

*Tomaree market data and key indicators encapsulates aggregate property market conditions in the postcodes 2315, 2316, and 2317. **2021-2023 dates are based on project commencement dates obtained for each project and are approximate only, as provided by the relevant data authority. PRD does not hold any liability to the exact date. #Estimated value is the value of construction costs provided by relevant data authority, and do not reflect the project's sale/commercial value. *Annual breakdown of projects is presented for proceeding projects in Tomaree* by development type and year of scheduled commencement. Source: Cordell Connect. © Copyright PRD 2022.

PROJECT DEVELOPMENT MAP 1ST HALF 2022*



Location	Project**	Type	Estimated Value***	Commence Date****
1	Soldiers Point Road Seniors Housing Development	Commercial	\$23,000,000	18/05/2022
2	Aldi Salamander Bay	Commercial	\$7,500,000	31/01/2022
3	Shearwater Drive Light Industrial Complex	Commercial	\$975,000	10/02/2022
4	Nelson Bay Road Commercial & Industrial Development	Commercial	\$800,000	10/02/2022
5	John Cropley Dentistry	Commercial	\$750,000	07/03/2022
6	Soldiers Point Bowling Club	Commercial	\$620,000	16/02/2022
7	Middle Rock Home Village	Commercial	\$540,000	26/03/2022
8	Squire Street Site Remediation	Infrastructure	\$200,000	01/04/2022
9	Bagnall Avenue Units (8 units)	Residential	\$2,955,000	12/03/2022
10	Kingsley Drive Dwellings (6 dwellings)	Residential	\$1,500,000	18/05/2022

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.



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