



# Port Stephens Market Update 1st Half 2022



## OVERVIEW

In Q1 2022, Port Stephens\* recorded a median house price of \$1,011,000, and a median unit price of \$655,000. This represents annual (Q1 2021 – Q1 2022) median price growth of 24.8% for houses and 31.0% for units. Total house sales increased between Q1 2021 – Q1 2022, by 2.3% (to 133 sales), and decreased by -30.2% (to 81 sales) for units. There is an undersupply in the Port Stephens\* unit 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.

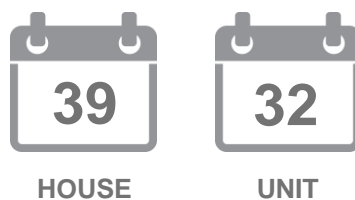
	CHANGE FROM LAST	YEAR	HALF YEAR
	House Sales	↑	↓
	House Median Price	↑	↑
	House Rental Price	↑	↑
	Unit Sales	↓	↓
	Unit Median Price	↑	↑
	Unit Rental Price	↑	↑

## MARKET CONDITIONS

### SALES MEDIAN PRICE Q1 2022



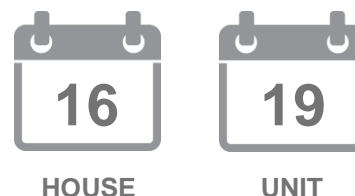
### SALES AVERAGE DAYS ON MARKET Q1 2022



### RENTAL MEDIAN PRICE Q1 2022

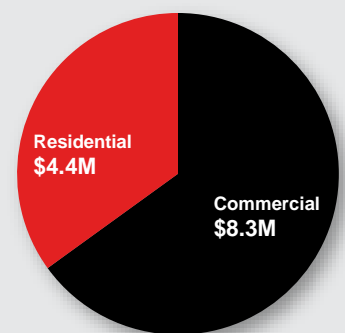


### RENTAL AVERAGE DAYS ON MARKET Q1 2022



## FUTURE DEVELOPMENTS

Port Stephens is set to see approximately **\$12.7M** worth of new projects commencing in the 1st half of 2022.



These projects will stimulate economic growth and create large employment opportunities in Port Stephens. This will have a spill-over impact on the real estate market, in the form of increased demand for housing stock.

The Aldi Salamander Bay (\$7.5M) is a significant commercial project for the 1st half 2022. This will create new local jobs and improve liveability for current residents.

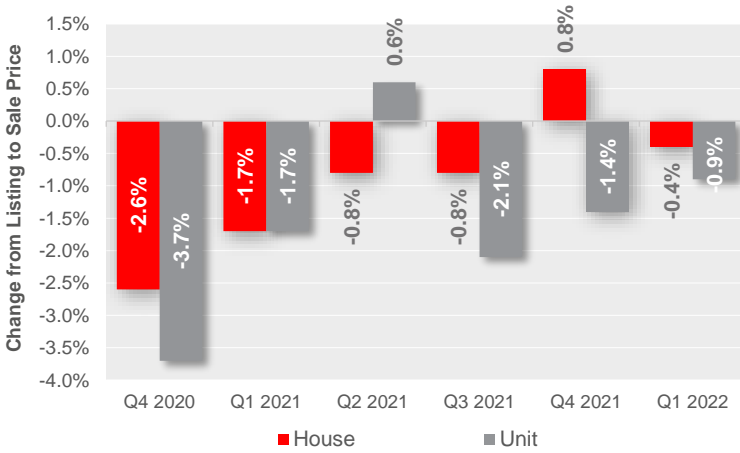
A main residential project over the 1st half of 2022 is Soldiers Point Road Units (\$3.7M), adding 6 apartments. Another key residential project is Leonard Avenue Dwellings (\$750K), adding 5 ready-to-sell houses.

These two residential projects assist in alleviating stock supply issues, but not to the level that brings back a fair balance between property demand and supply. The unit undersupply is deep, and although not yet evident for houses this is possible. Interest rate changes may slightly impact demand, but a small number of new ready-to-sell stock projects lowers the chance of a price correction.



# 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.

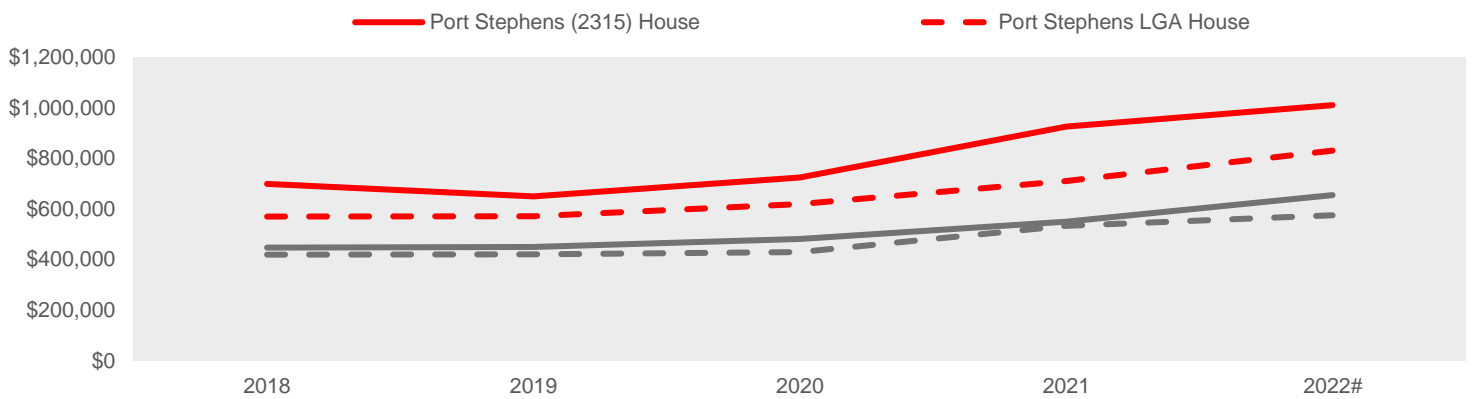


Average vendor discounts between Q1 2021 and Q1 2022 have rapidly tightened for both property types, to less of a discount at -0.4% for houses and -0.9% for units. Market conditions in Port Stephens\* have now shifted to favour vendors, as buyers are willing to offer closer to the initial listing price. Now is the time to sell.

The suburb of Port Stephens has outperformed the wider Port Stephens Local Government Area (LGA) in both house and unit median prices for the past 5 years. This continued to be the case in 2022# with houses trending toward a more premium market.

The dominant proportion of homes sold in Port Stephens\* across 2021/22^ were in the premium price bracket of \$950,000 and above (32.3%). Units also recorded a dominant premium price point of \$700,000 and above (26.3%). There is a relatively balanced percentage of sales in all price brackets, especially for units, in good news for buyers. Affordable options are available, but on a shrinking path in the past 12 months.

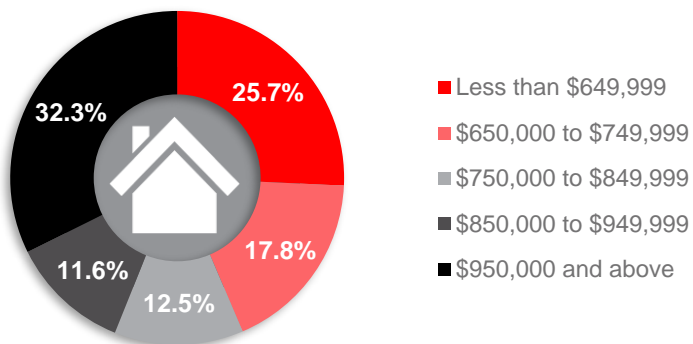
## MARKET COMPARISON



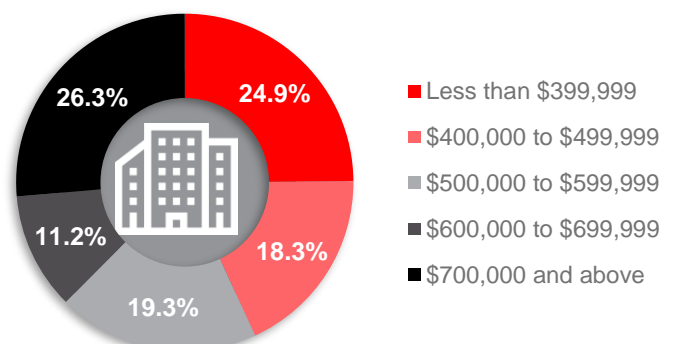
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Port Stephens.

## PRICE BREAKDOWN 2021/22^

### HOUSES SOLD



### UNITS SOLD

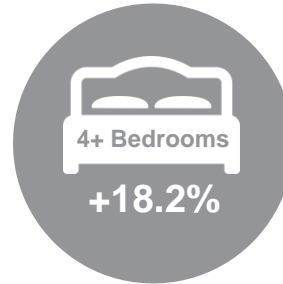
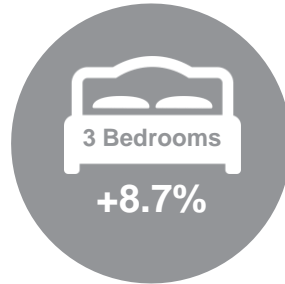


## RENTAL GROWTH 2022€

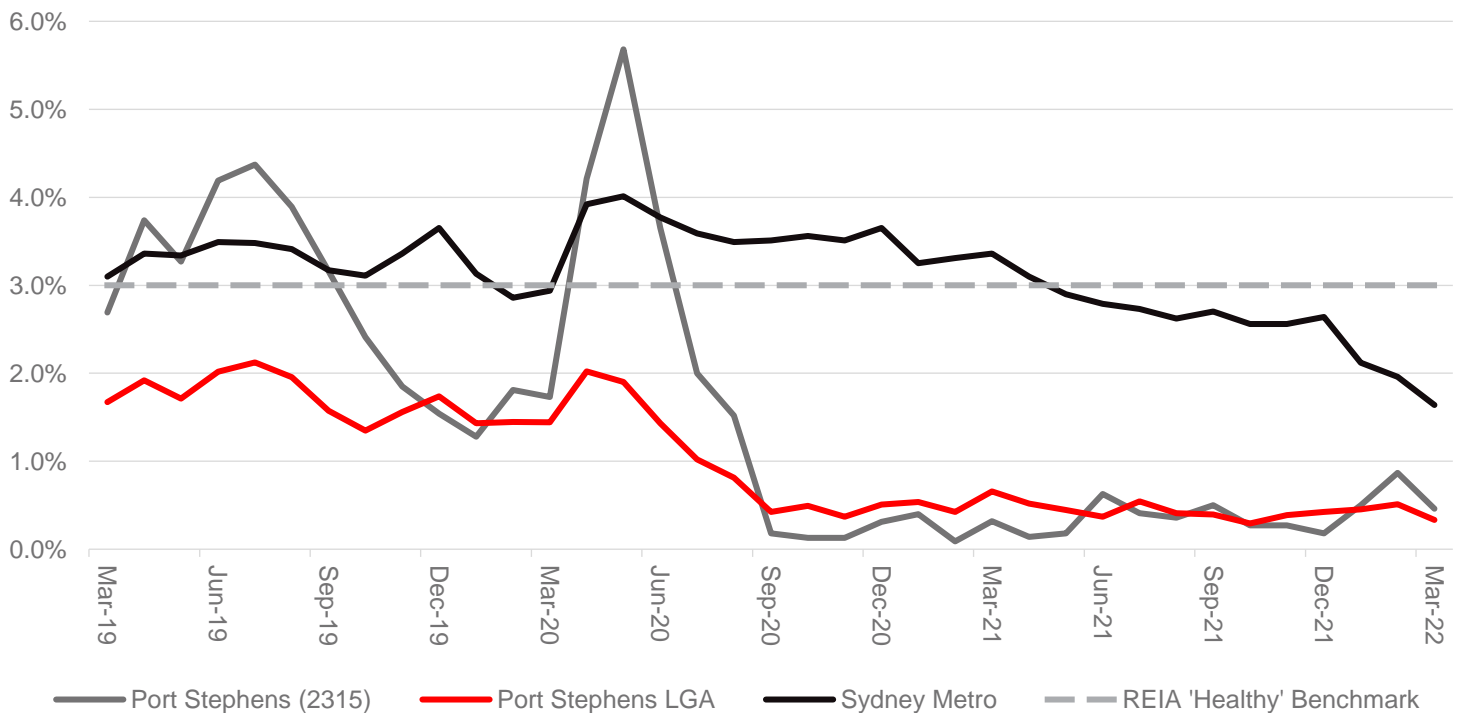
House rental yields in Port Stephens<sup>‡</sup> sat at 3.2% in March 2022, much higher than Sydney Metro (2.3%). This was paired with a 22.7% increase in median house rental price and a 40.0% (to 63 rentals) increase in demand for rental properties in the 12 months to Q1 2022. This confirms Port Stephens<sup>‡</sup> as a more affordable and attractive investment alternative when compared to Sydney Metro.

2 bedroom houses have provided investors with +25.7% rental growth annually, achieving a median rent of \$440 per week.

Port Stephens<sup>‡</sup> recorded a vacancy rate of 0.5% in March 2022, well below Sydney Metro's 1.6% average. Vacancy rates in Port Stephens<sup>‡</sup> held steady over the past 12 months and within the 1.0% range over the past 18 months. This indicates a stability in the area's rental demand. These key indicators create a conducive and sustainable environment for investors, despite the increase in median sale prices of property over the past 12 months.



## RENTAL VACANCY RATES 2022



## RENTAL YIELD 2022§



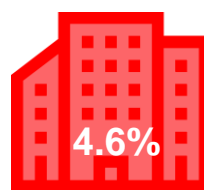
Port Stephens<sup>‡</sup>



Port Stephens LGA



Sydney Metro



Port Stephens<sup>‡</sup>

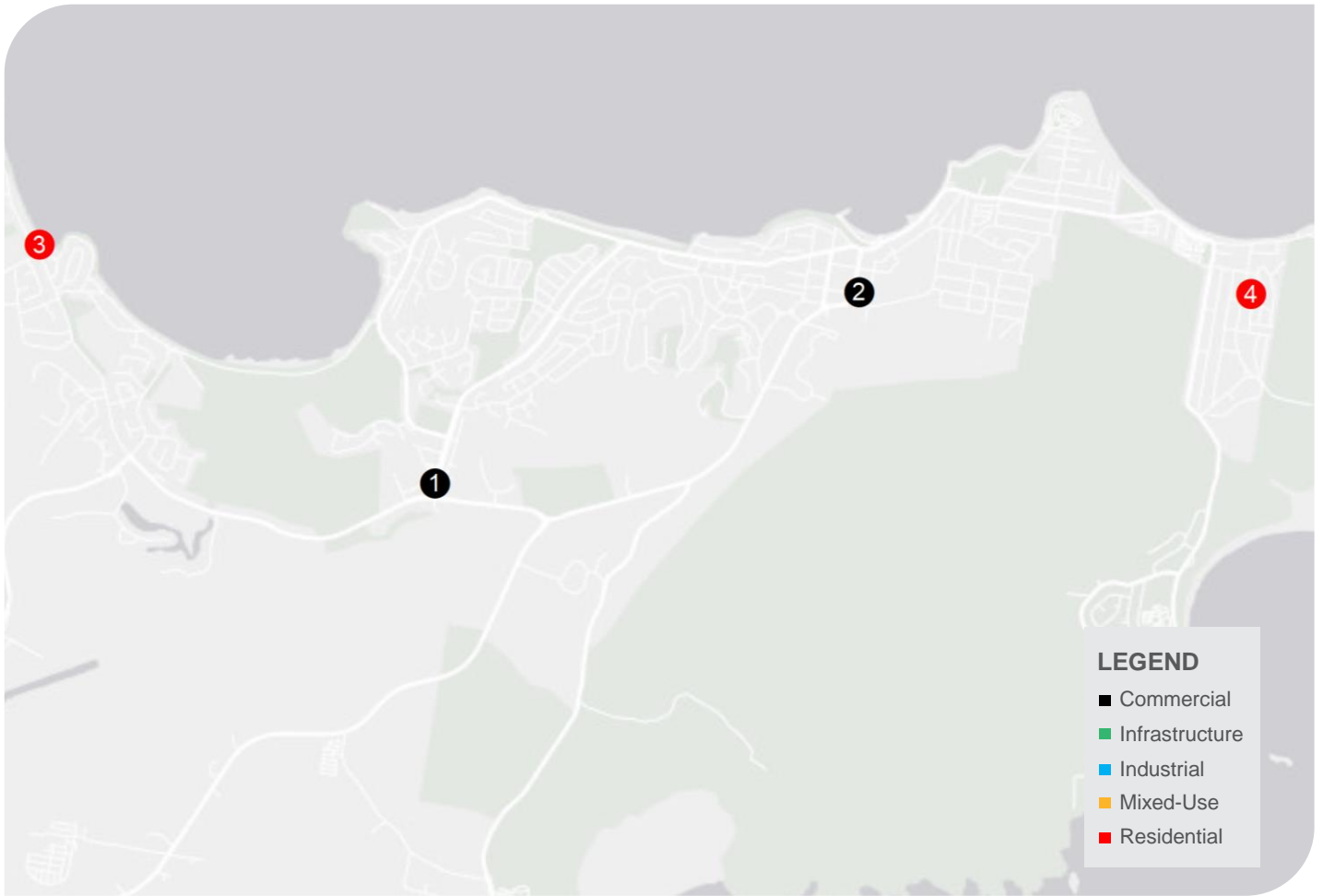


Port Stephens LGA



Sydney Metro

# TOP DEVELOPMENTS MAP 1st HALF 2022<sup>A</sup>



Location	Project <sup>£</sup>	Type	Estimated Value <sup>µ</sup>	Commence Date <sup>ψ</sup>
1	Aldi Salamander Bay	Commercial	\$7,500,000	31/01/2022
2	John Cropley Dentistry	Commercial	\$750,000	07/03/2022
3	Soldiers Point Road Units (6 units)	Residential	\$3,686,000	12/06/2022
4	Leonard Avenue Dwellings (5 dwellings)	Residential	\$750,000	15/06/2022

## 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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# 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.

# 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.

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

§ 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 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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