



# Hervey Bay Market Update 1st Half 2022



## OVERVIEW

In Q1 2022, Hervey Bay\* recorded a median house price of \$590,000, and a median unit price of \$391,000. This represents annual (Q1 2021 – Q1 2022) median price growth of 35.6% for houses and 26.1% for units. Total sales decreased between Q1 2021 – Q1 2022, by -26.3% (to 466 sales) for houses and by -15.8% (to 133 sales) for units. Current market conditions indicate an undersupplied house and unit market, as high price growth is accompanied with lower amount of sales. This is further confirmed in the average vendor discount pattern, which has swung to a premium for the past two quarters.

	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



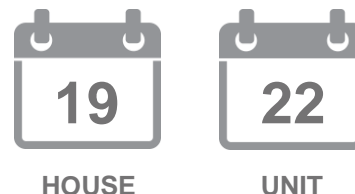
### SALES AVERAGE DAYS ON MARKET Q1 2022



### RENTAL MEDIAN PRICE Q1 2022

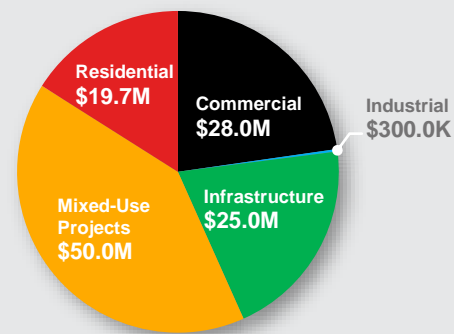


### RENTAL AVERAGE DAYS ON MARKET Q1 2022



## FUTURE DEVELOPMENTS

Hervey Bay\* is set to see approximately **\$122.9M** worth of new projects commencing in the 1st half of 2022.



A wide variety of project types will stimulate economic growth through large employment opportunities in Hervey Bay. This will have a spill-over impact on the real estate market, in the form of higher demand for housing stock.

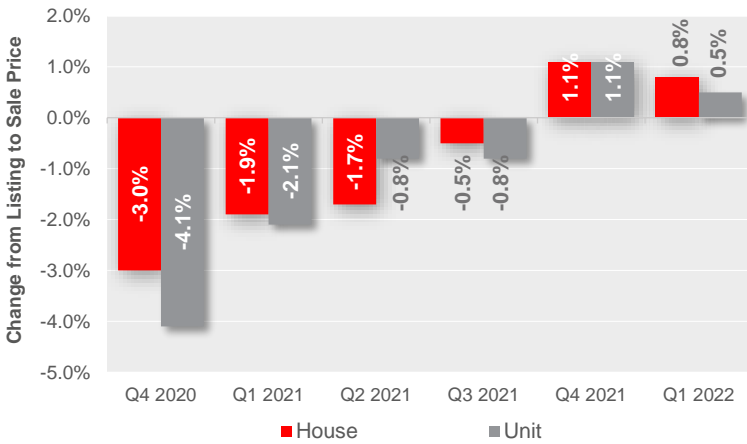
A main mixed use project over the 1<sup>st</sup> half of 2022 is the Marina Square (\$50.0M). The project plans to add 3 towers, with one tower being a 17 storey hotel (Riviera Hotel) and two residential towers adding 120 units. Boundary Road Roadworks (\$19.9M) is a significant infrastructure project that plans to construct a new 4 lane road and the signalisation of two intersections. This improve liveability for current residents.

There are three residential projects planned: Marina Cove (\$8.0M, 17 villas), Torquay Terrace Townhouses (\$6.0M, 20 townhouses), and Doolong South & Hebblewhite Roads Subdivisions (\$5.7M, 127 lots).



# 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.

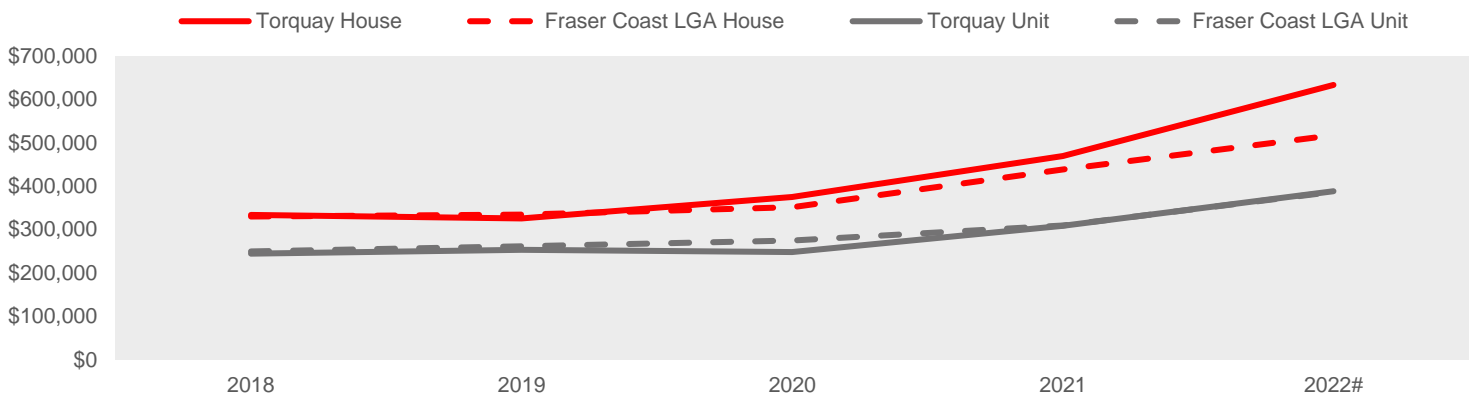


Average vendor discounts between Q1 2021 and Q1 2022 have rapidly shifted for both property types, swinging to premiums of 0.8% for houses and 0.5% for units. Market conditions in Hervey Bay\* have continued to favour vendors for the past six months, as buyers are willing to offer above the initial listing price.

The suburb of Torquay has historically outperformed the wider Fraser Coast Local Government Area (LGA) in both house and unit median prices. This continued to be the case in 2022#, with houses trending toward a more premium market.

The dominant proportion of homes sold in Hervey Bay\* across 2021/22^ were in the most affordable bracket of less than \$399,999 (33.2%). Units also recorded a dominant lowest price point of below \$299,999 (44.1%). Affordable options continue to be available, in good news for buyers. However this have continued to decline in the past 18 months, as the premium market takes momentum and grows in Hervey Bay\*.

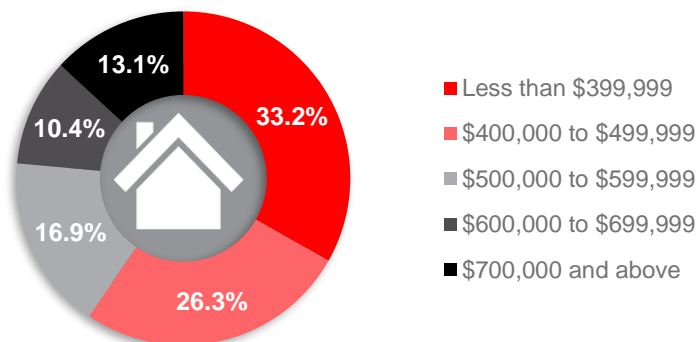
## MARKET COMPARISON



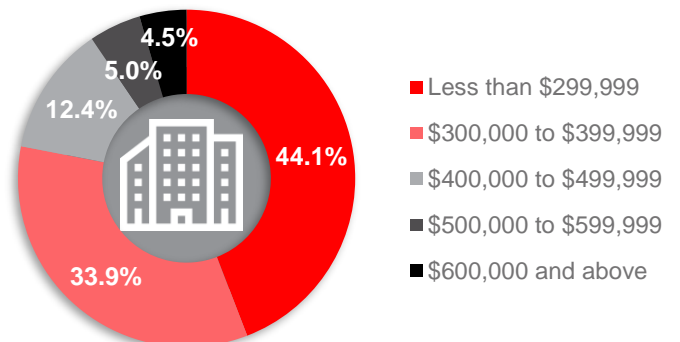
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Torquay.

## PRICE BREAKDOWN 2021/22^

### HOUSES SOLD



### UNITS SOLD

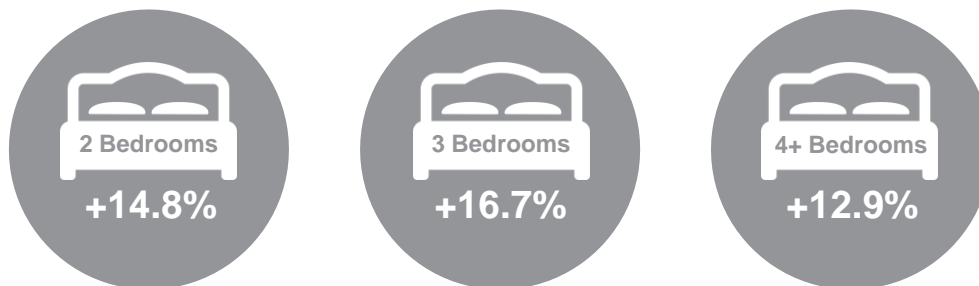


## RENTAL GROWTH 2022€

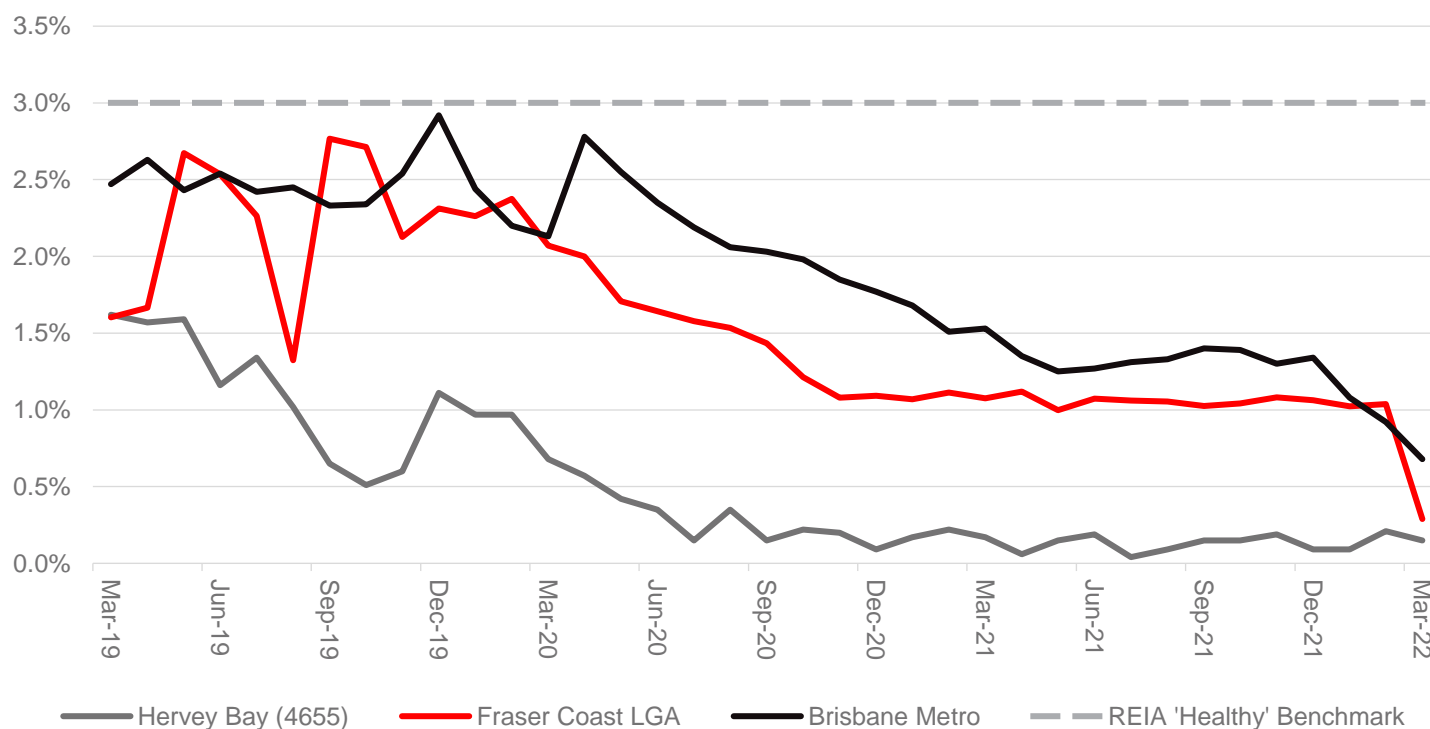
House rental yields in Hervey Bay\* were recorded at 4.4% in March 2022, much higher than Brisbane Metro (3.3%). This was paired with a 22.0% increase in median house rental price in the 12 months to Q1 2022 and a 3.1% increase in demand for rental properties (265 houses rented in Q1 2022). This is an expected dynamic shift in the market, as there has been an decrease in property sales. Hervey Bay\* is a more affordable and attractive investment alternative to Brisbane Metro.

3 bedroom houses have provided investors with +16.7% rental growth annually, achieving a median rent of \$420 per week.

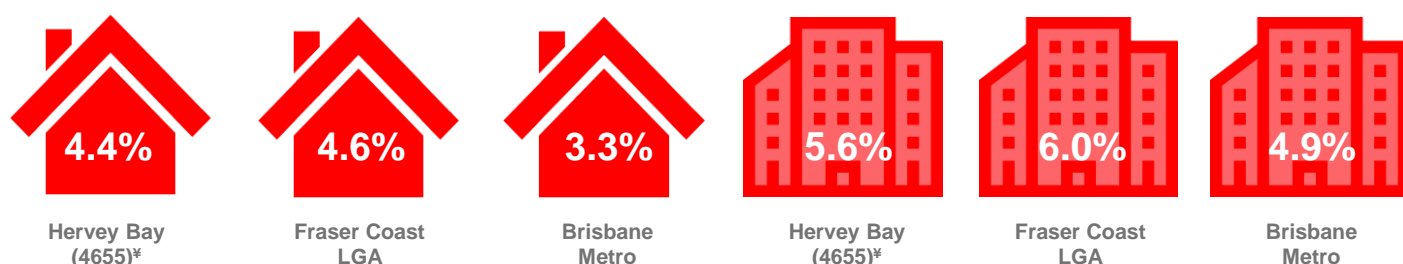
Hervey Bay\* recorded a vacancy rate of 0.2% in March 2022, which is below Brisbane Metro's 0.7% average. Vacancy rates in Hervey Bay\* have held steady over the past 12 months, trending within/lower than the 0.5% range for the past 18 months. This indicates stability in its rental demand. These key indicators create a conducive and sustainable environment for investors, despite the increase in median sale prices of property over the past 12 months.



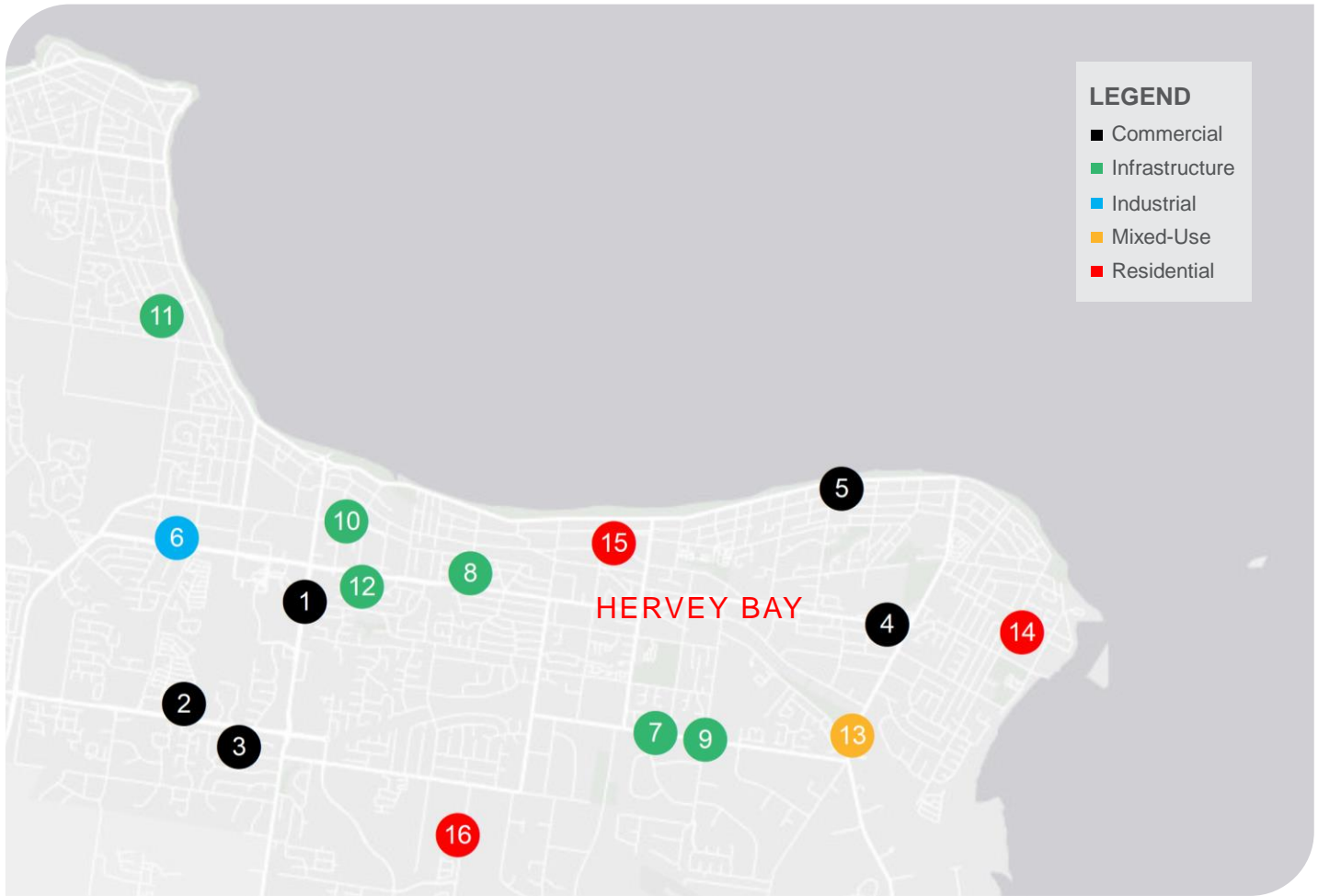
## RENTAL VACANCY RATES 2022



## RENTAL YIELD 2022\$



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



Location	Project <sup>£</sup>	Type	Estimated Value <sup>Ⓜ</sup>	Commence Date <sup>Ⓜ</sup>
1	Bunnings Warehouse Hervey Bay	Commercial	\$20,000,000	31/01/2022
2	Urraween Medical Centres	Commercial	\$3,200,000	22/05/2022
3	Bluecare Hervey Bay Masters Lodge Refurbishment	Commercial	\$2,500,000	30/05/2022
4	Boat Harbour Drive Marine Industry	Commercial	\$2,000,000	16/05/2022
5	Esplanade Commercial Development	Commercial	\$250,000	23/05/2022
6	Highgrove Bathrooms Storage Shed	Industrial	\$300,000	23/06/2022
7	Boundary Road Roadworks	Infrastructure	\$19,847,000	10/01/2022
8	Queens Road (Boat Harbour Drive To Torquay Road) Roadworks	Infrastructure	\$1,923,000	21/02/2022
9	Urangan State High School	Infrastructure	\$959,000	07/06/2022
10	Pialba Precinct - Building A	Infrastructure	\$950,000	22/06/2022
11	Point Vernon Park	Infrastructure	\$850,000	25/04/2022
12	Medical Place & Nissen Street Roadworks	Infrastructure	\$466,000	02/05/2022
13	Marina Square- (120 Units)	Mixed-use	\$50,000,000	21/03/2022
14	Marina Cove- (17 Villas)	Residential	\$8,000,000	04/02/2022
15	Torquay Terrace Townhouses- (20 Townhouses)	Residential	\$6,000,000	12/05/2022
16	Doolong South & Hebblewhite Roads Residential Subdivision- (127 Lots)	Residential	\$5,700,000	19/06/2022

## 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.

# 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.

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

§ 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 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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