



Lake Macquarie Market Update 2nd Half 2022



OVERVIEW

In Q3 2022, Lake Macquarie*, recorded a median house price of \$937,500. This is an annual (Q3 2021 – Q3 2022) 1.4% median price growth. That said, on a quarter by quarter basis (Q2 2022 – Q3 2022), the median house price softened by -4.8%. This is a reflection of interest rate hikes translating into the market. Total house sales decreased annually and quarterly, with Q3 2022 recording the lowest number (130 sales). The unit market recorded an 8.3% median price growth annually and 3.4% quarterly, whilst also recording lower amount of sales. Opportunities exist for sellers and buyers in both markets.

	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 2022



SALES AVERAGE DAYS ON MARKET Q3 2022



RENTAL MEDIAN PRICE Q3 2022

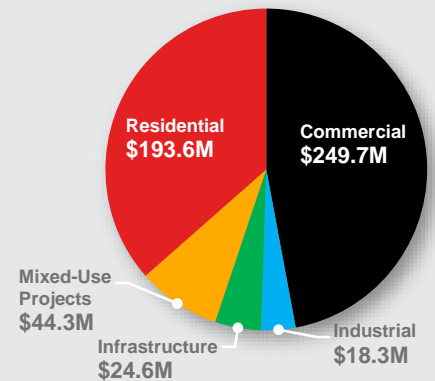


RENTAL AVERAGE DAYS ON MARKET Q3 2022



FUTURE DEVELOPMENTS

Lake Macquarie is set to see approx. **\$530.5M** worth of new projects commencing in the 2nd half of 2022.



A focus on commercial projects will stimulate economic growth through local job creation. A focus on residential projects will replenish the current supply, creating a balanced market.

A main commercial project over the 2nd half of 2022 is the RFBI Hawkins Masonic Village (\$40.9M). The project is set to provide a 3-storey residential aged care facility.

There is a significant amount of residential subdivisions planned for the 2nd half of 2022. A key project is Old Pacific Highway project (264 lots, \$29.3M). First home buyers can access to multiple Government grants, but current challenges can prolong the home build.

Ready-to-sell units (173), dwellings (217), and townhouses (23) assist with demand. In the current cash rate situation it can also provide a fairer market for first home buyers.



173 Units/
Apartments



23
Townhouses



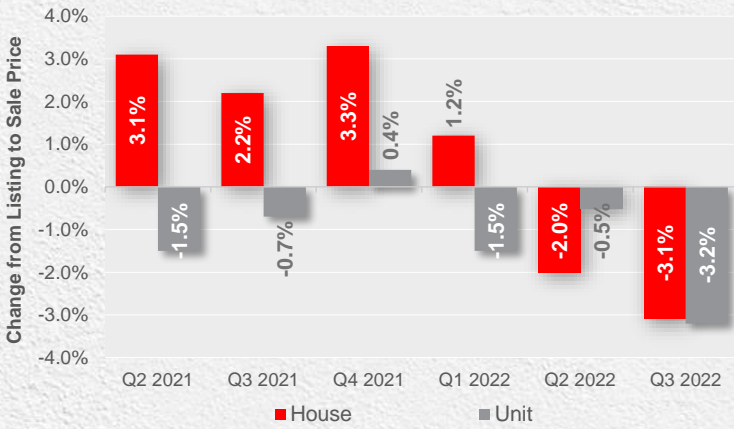
217
Dwellings



1,171 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.

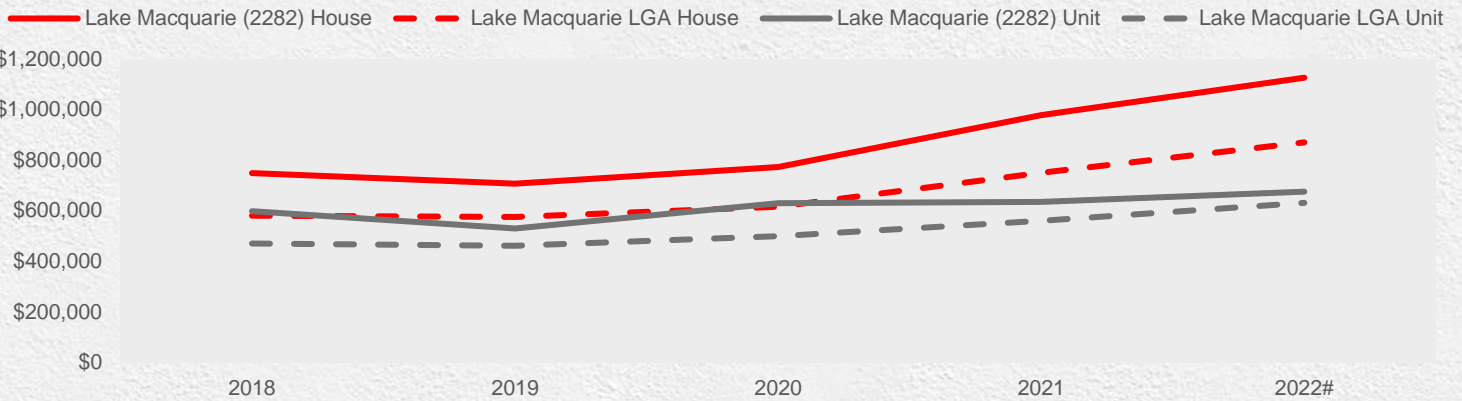


Average vendor discounts between Q3 2021 and Q3 2022 have rapidly shifted for both property types, to discounts of -3.1% for houses and -3.2% for units. Market conditions in Lake Macquarie* have started to shift towards favour buyers, as vendors are willing to offer below the initial listing price.

The suburb of Lake Macquarie has historically outperformed the wider Lake Macquarie 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, even with a slower growth on a quarter by quarter basis.

The dominant proportion of homes sold in Lake Macquarie* across 2022# were in the premium price bracket of \$1,150,00 and above (30.8%). Units also recorded a dominant premium price point, of above \$750,000 (28.6%). Interestingly there is almost equal opportunity in the premium and mid-market pricing for units, thus creating a wider net for first home buyers.

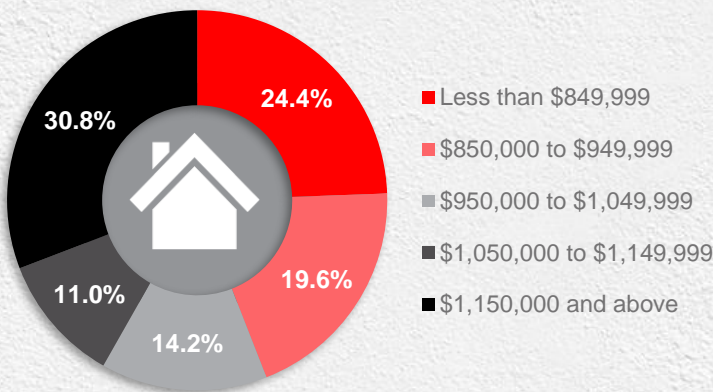
MARKET COMPARISON



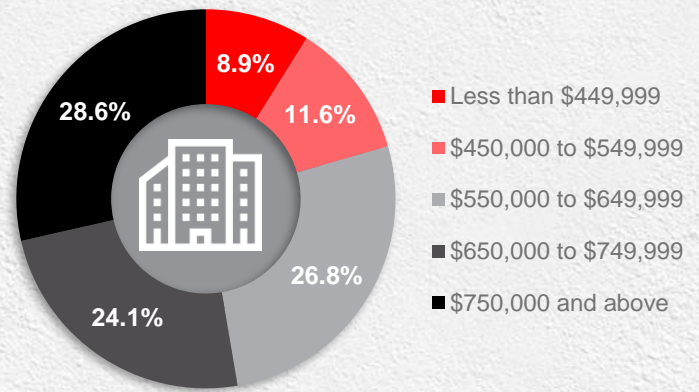
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled are chosen based on their proximity to the main suburb analysed, which is Lake Macquarie.

PRICE BREAKDOWN 2022#

HOUSES SOLD



UNITS SOLD

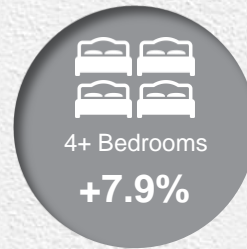


RENTAL GROWTH 2022€

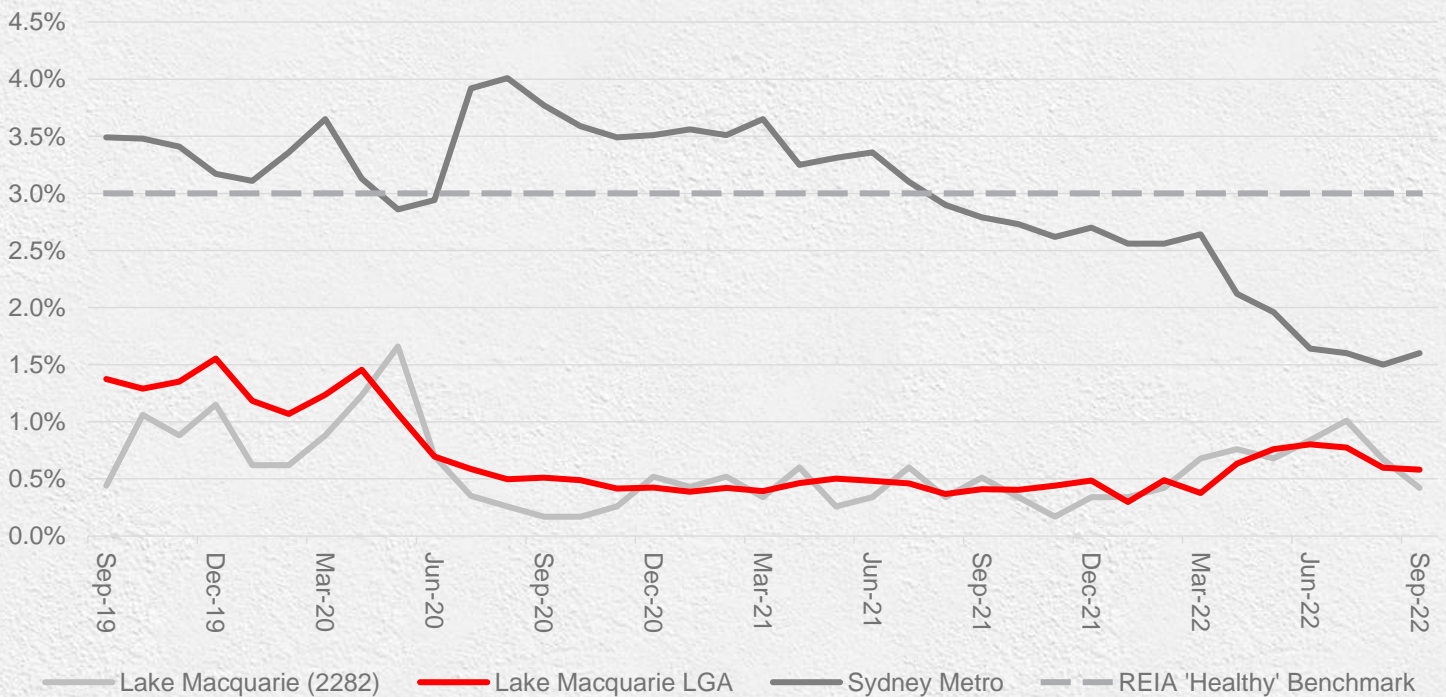
In September 2022, house rental yields in Lake Macquarie were recorded at 3.0%, higher than Sydney Metro (2.5%). In the 12 months to Q3 2022, median house rental price increased 5.1% to reach \$620 per week, despite a 21.6% increase (to 180) in the number of houses rented. Average days on the market remain low at 17 days. Overall this represents a resilient rental market in Lake Macquarie, which has a more affordable investment entry price compared to Sydney Metro.

3 bedroom houses have provided investors with +11.3% rental growth annually, achieving a median rent of \$590 per week.

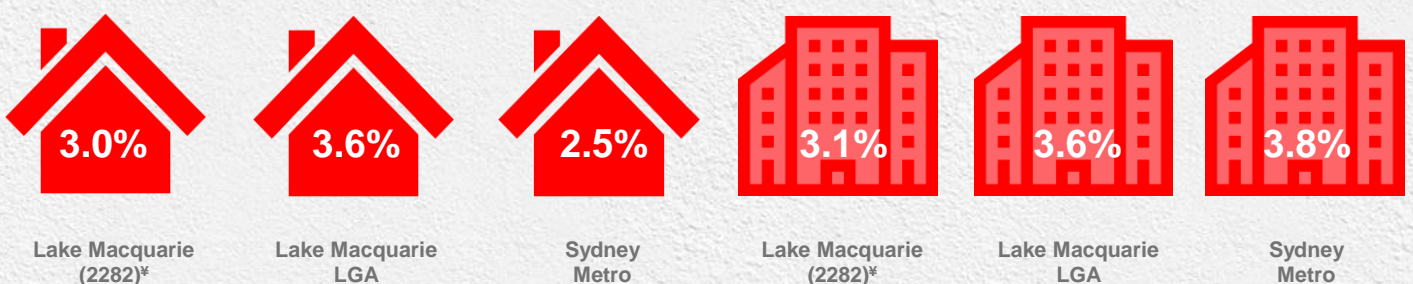
Lake Macquarie* recorded a vacancy rate of 0.4% in September 2022, which is well below Sydney Metro's 1.6% average. Vacancy rates in Lake Macquarie* have held steady over the past 12 months and have stayed within the 1.0% range over the past 18 months. This indicated stability in the area's rental demand. These key indicators create a conducive and sustainable environment for investors, particularly with the median house price downturn in the past quarter.



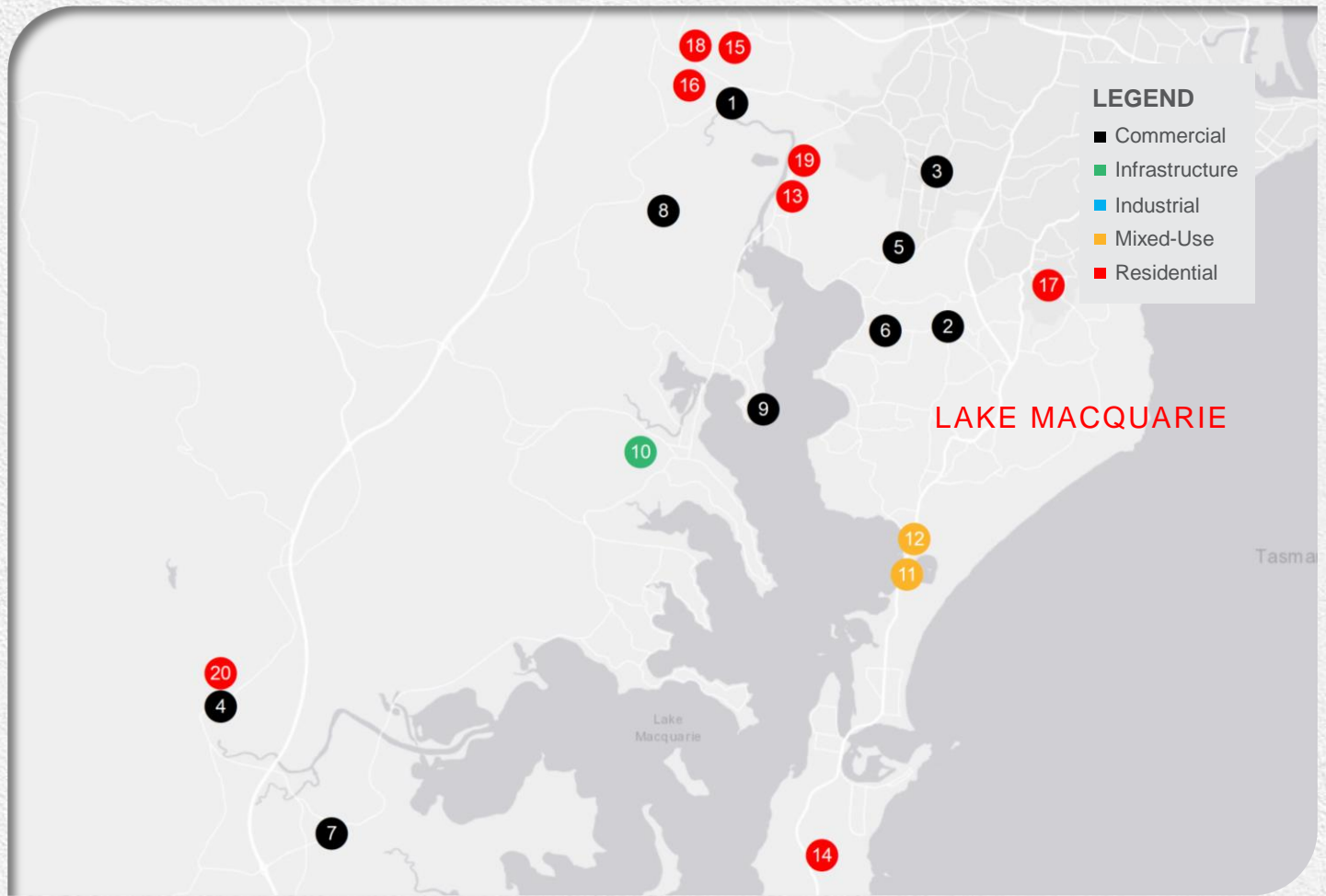
RENTAL VACANCY RATES 2022



RENTAL YIELD 2022\$



TOP DEVELOPMENTS MAP 2nd HALF 2022[Ⓐ]



Location	Project [Ⓔ]	Type	Estimated Value [Ⓜ]	Commence Date [Ⓝ]
1	Rfbi Hawkins Masonic Village Residential Care Facility	Commercial	\$40,905,000	08/11/2022
2	Mount Hutton Medical Practice	Commercial	\$15,000,000	06/12/2022
3	Newcastle Street Seniors Housing Dwellings	Commercial	\$15,900,000	05/12/2022
4	Avondale Retirement Village	Commercial	\$8,781,000	03/11/2022
5	Rushfields	Commercial	\$19,491,000	25/10/2022
6	Warners Bay Arcare Aged Care Facility	Commercial	\$19,786,000	04/07/2022
7	Cedar Mill - Morisset	Commercial	\$8,522,000	21/10/2022
8	Blackrock Motor Park	Commercial	\$29,978,000	20/07/2022
9	Bolton Point Retirement Village	Commercial	\$32,166,000	16/11/2022
10	Toronto Foreshore	Infrastructure	\$9,000,000	18/10/2022
11	Latitude On Walter (34 Units)	Mixed-use	\$25,768,000	08/12/2022
12	Pacific Highway & Macquarie Street Mixed Use Development (32 Units)	Mixed-use	\$10,500,000	26/12/2022
13	Weemala South Residential Subdivision (183 Lots)	Residential	\$28,924,000	05/09/2022
14	Old Pacific Highway Residential Subdivision (264 Lots)	Residential	\$29,300,000	20/12/2022
15	Portland Drive Dwellings & Residential Subdivision (53 Lots)	Residential	\$13,860,000	12/10/2022
16	Butterworth Street Dwellings & Residential Subdivision (53 Lots)	Residential	\$13,860,000	20/12/2022
17	Dudley Road Units (28 Units)	Residential	\$9,500,000	26/09/2022
18	Botham Street Dwellings & Residential Subdivision (38 Lots)	Residential	\$9,175,000	18/07/2022
19	Weemala North Residential Subdivision (151 Lots)	Residential	\$25,424,000	07/11/2022
20	Rosendahl & Alton Roads Residential Subdivision Johnson Property Group (215 Lots)	Residential	\$18,000,000	03/11/2022



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

* 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 2022 (01/01/2022 – 30/09/2022) only.

€ Annual rental growth is a comparison between 2021 (01/01/2021 – 30/09/2021) and 2022 (01/01/2022 – 30/09/2022) 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 September 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.

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