



# Hervey Bay Market Update 2<sup>nd</sup> Half 2022



## OVERVIEW

In Q3 2022, Hervey Bay\* recorded a median house price of \$599,500, and a median unit price of \$387,500. This represents annual (Q3 2021 – Q3 2022) median price growth of 19.9% for houses and 25.0% for units. That said, on a quarter-by-quarter basis (Q2 2022 – Q3 2022) median price growth softened by -1.7% for houses and -8.0% for units. This reflects interest rate hikes now translating into the market. Total sales decreased annually and quarterly, with Q3 2022 recording the lowest amount, of 268 (houses) and 69 (units) sales. Current market conditions suggest opportunities for sellers and buyers.

	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

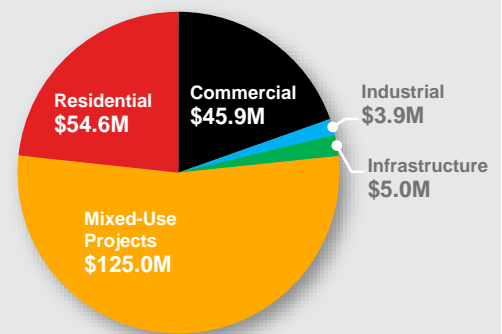


### RENTAL AVERAGE DAYS ON MARKET Q3 2022



## FUTURE DEVELOPMENTS

Hervey Bay is set to see approximately **\$234.3M** worth of new projects commencing in the 2<sup>nd</sup> half of 2022.



A key commercial project is Large Format Retail Centre Hervey Bay (\$40.0M), to comprise retailers such as Spotlight, Anaconda, a gym, and various other tenancies. Residents can benefit from greater commercial choices as well as local job creation.

A multitude of housing stock options are planned in the 2<sup>nd</sup> half of 2022, with key projects such as:

- Marina Square in Urangan – 120 units
- Solana Lifestyle Resorts in Nikenbah – 200 dwellings
- Esplanade townhouses in Urangan (28 townhouses)
- Neighbourhood Park Estate in Wondunna (145 lots)

These projects will replenish stock and assist in answering demand.



219 Units/  
Apartments



50  
Townhouses



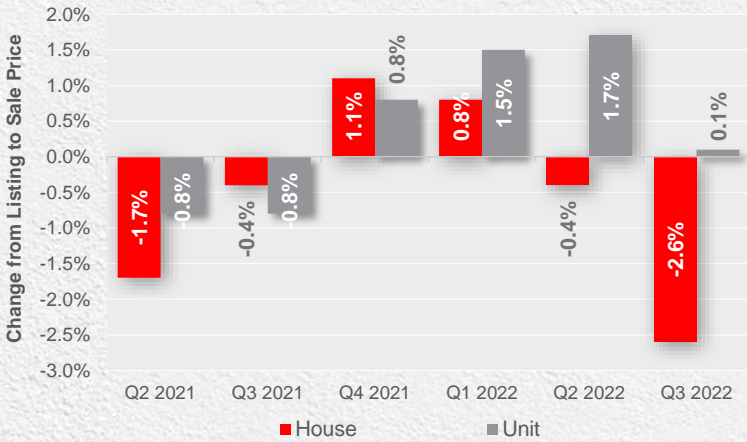
200  
Dwellings



289 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.

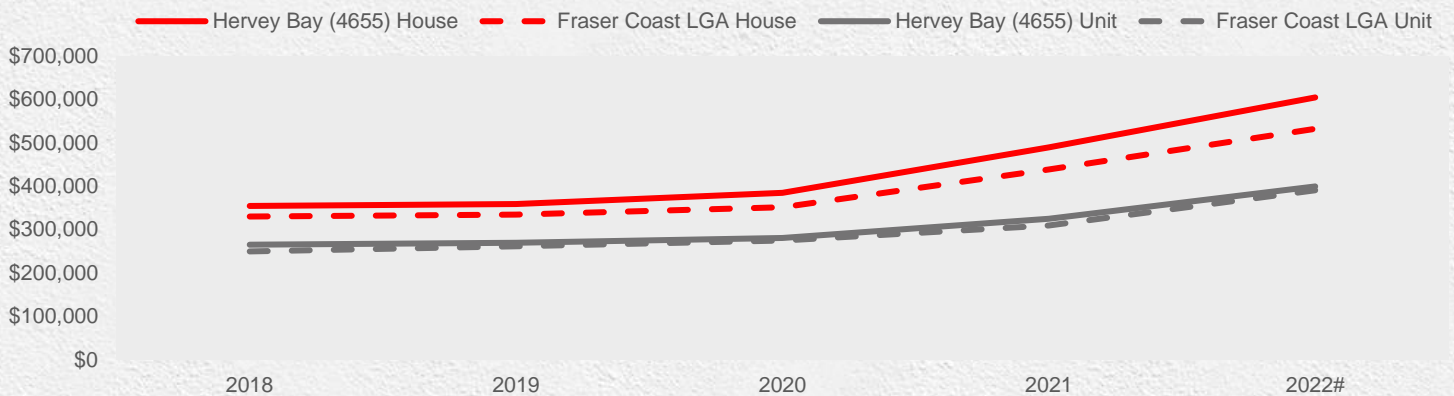


Average vendor house discount between Q3 2021 and Q3 2022 have widened to -2.6%, the highest discount seen in the past 12 months. This is an opportunity for first home buyers, as they can offer below the first list price. Average vendor unit discount remain a premium, however quite close to the first list price, of 0.1%. This is the lowest premium for units in the past 12 months.

The suburb of Hervey Bay 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 2022# were in the more affordable price point of less than \$549,999 (49.1%). Units also recorded a dominant affordable price point, of less than \$349,999 (49.7%). That said the premium market in Hervey Bay\* is growing, with 10.7% of houses sold over \$850,000 and 5.2% of units sold over \$650,000.

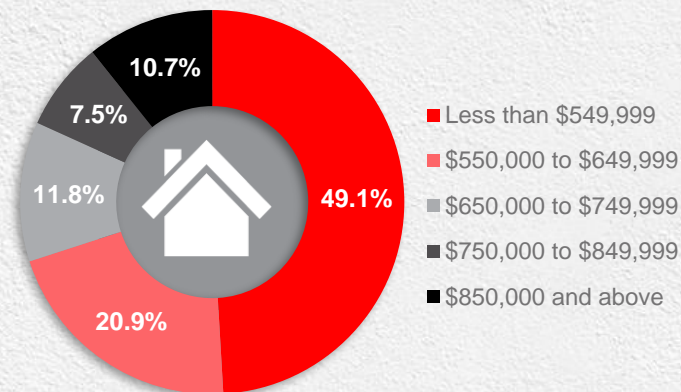
## MARKET COMPARISON



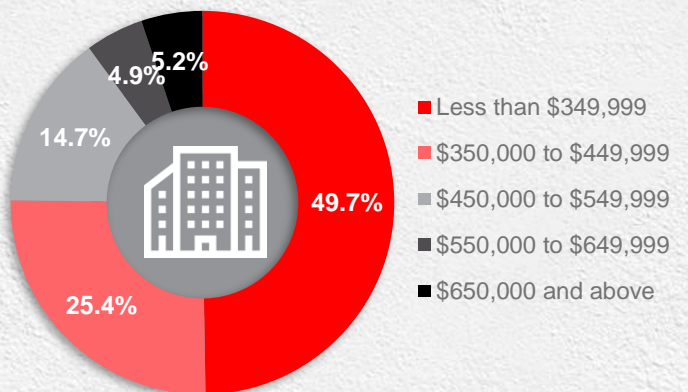
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled are chosen based on their proximity to the main suburb analysed, which is Hervey Bay.

## PRICE BREAKDOWN 2022#

### HOUSES SOLD



### UNITS SOLD

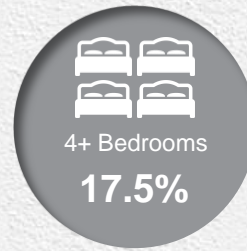


# RENTAL GROWTH 2022€

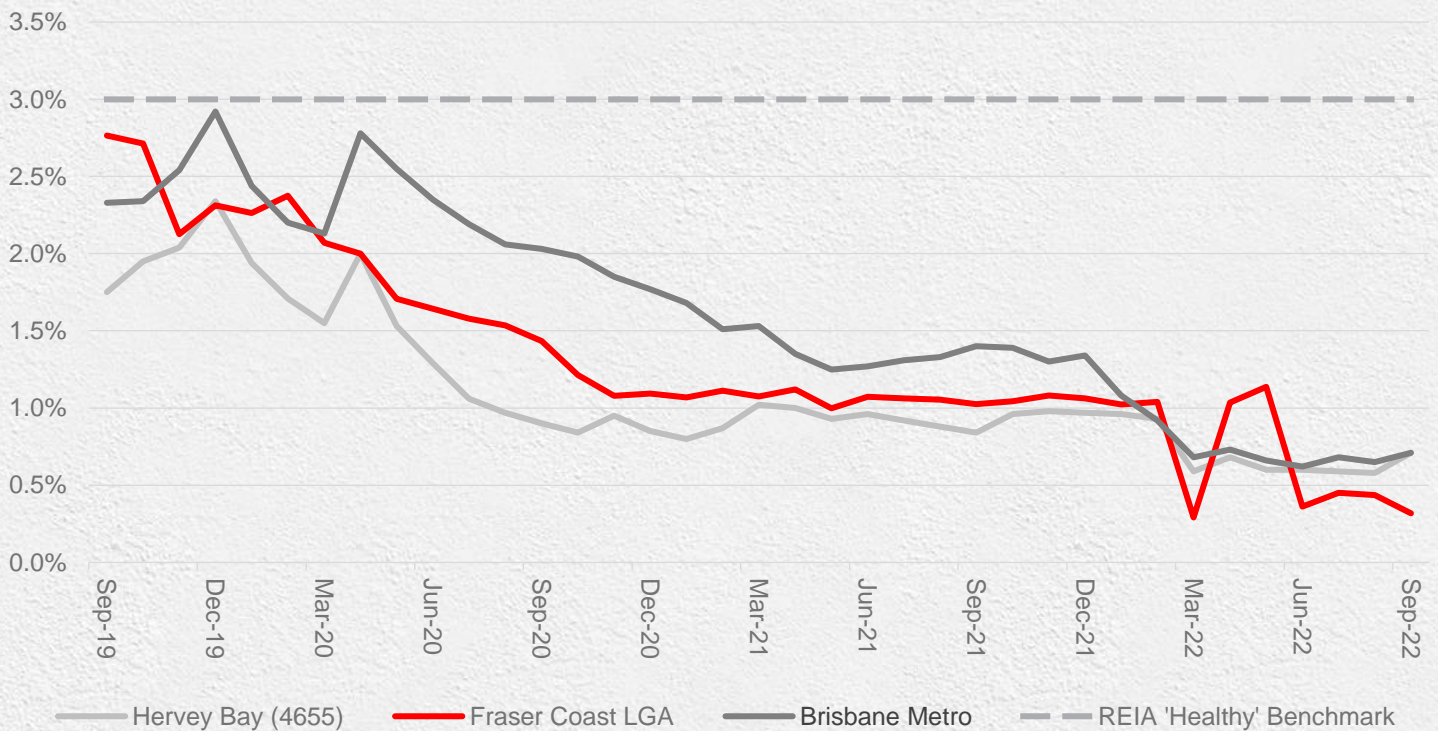
House rental yields in Hervey Bay\* was recorded at 4.4% in September 2022, much higher than Brisbane Metro's (2.9%). This was paired with a 16.1% increase in median house rental price in the 12 months to Q3 2022, to \$520 per week, and a 22.8% increase in the number of houses rented. A similar trend is evident in Hervey Bay's unit rental market, confirming the area as an attractive more affordable option compared to Brisbane Metro.

4+ bedroom houses have provided investors with +19.2% rental growth annually, achieving a median rent of \$550 per week.

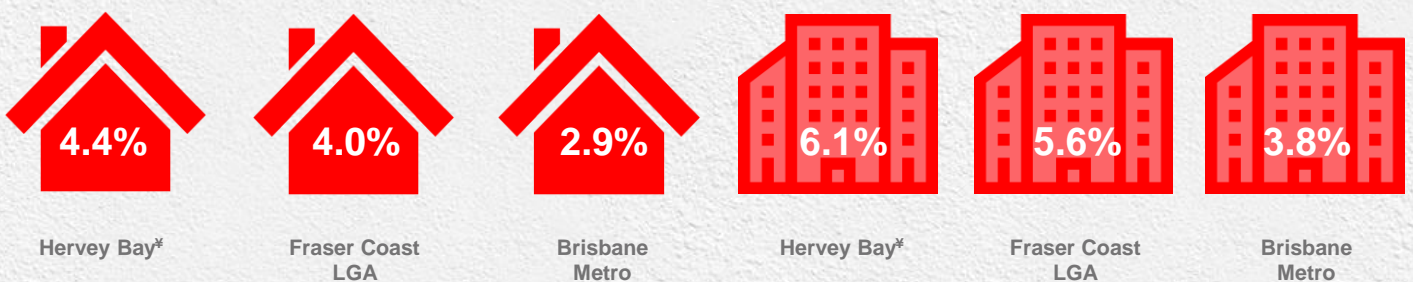
Hervey Bay\* recorded a vacancy rate of 0.7% in September 2022, which is on par with Brisbane Metro's average. Vacancy rates in Hervey Bay\* have held relatively steady over the past 24 months, within the 1.0% and under rate. This indicates stability in rental demand and quicker occupancy. These key indicators create a conducive and sustainable environment for investors, particularly with a marginal downturn in median property prices in the past quarter (between Q2 2022-Q3 2022).



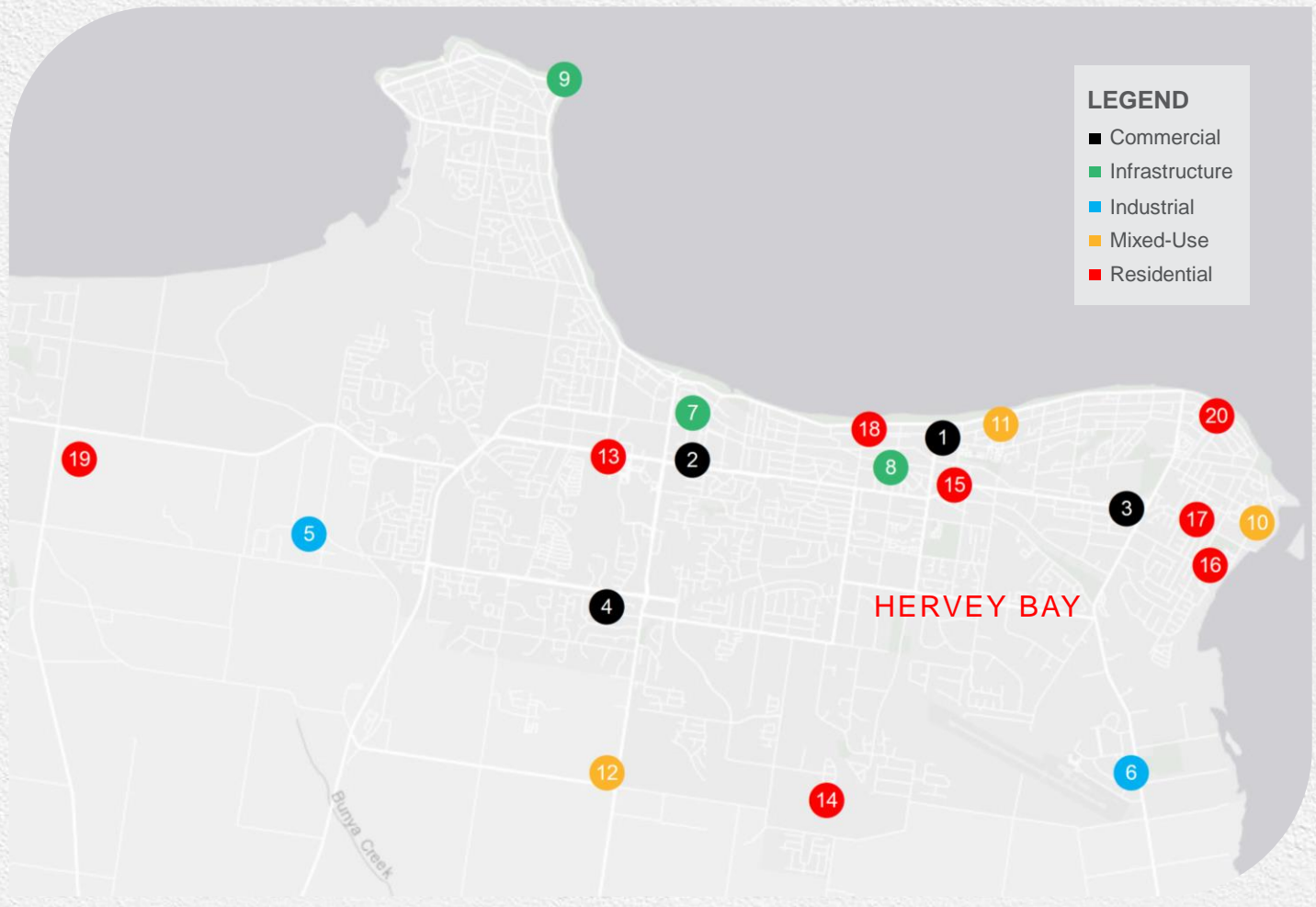
# RENTAL VACANCY RATES 2022



# RENTAL YIELD 2022\$



# TOP DEVELOPMENTS MAP 2<sup>nd</sup> HALF 2022<sup>Ⓐ</sup>



Location	Project <sup>£</sup>	Type	Estimated Value <sup>Ⓜ</sup>	Commence Date <sup>Ⓜ</sup>
1	The Junction On Truro	Commercial	\$850,000	26/12/2022
2	Large Format Retail Centre Hervey Bay	Commercial	\$40,000,000	12/08/2022
3	Boat Harbour Drive Marine Industry	Commercial	\$2,000,000	05/12/2022
4	Bluecare Hervey Bay Masters Lodge Refurbishment	Commercial	\$2,500,000	07/11/2022
5	Steelrite Hervey Bay	Industrial	\$1,200,000	20/07/2022
6	5 Southern Cross Circuit Warehouse	Industrial	\$2,300,000	05/12/2022
7	Pialba Precinct	Infrastructure	\$950,000	14/10/2022
8	Torquay Terrace Apartments	Infrastructure	\$2,200,000	13/10/2022
9	Scarness Beachfront Tourist Caravan Park	Infrastructure	\$950,000	25/11/2022
10	Marina Square (120 Units)	Mixed-use	\$50,000,000	21/09/2022
11	Esplanade Mixed Use Development (36 Units)	Mixed-use	\$35,000,000	15/11/2022
12	Solana Lifestyle Resorts (200 Lots)	Mixed-use	\$40,000,000	08/07/2022
13	Beach Road & Boat Harbour Drive Residential Subdivision (57 Lots)	Residential	\$2,600,000	15/10/2022
14	Neighbourhood Park Estate Residential Subdivision Stages 6-12 (145 Lots)	Residential	\$6,500,000	29/12/2022
15	Truro Street Mixed Use Development (14 Units)	Residential	\$7,000,000	08/11/2022
16	Esplanade Townhouses (28 Units)	Residential	\$10,000,000	29/08/2022
17	Whale Cove Apartments (54 Units)	Residential	\$19,000,000	19/10/2022
18	Esplanade Townhouses (6 Units)	Residential	\$1,800,000	23/10/2022
19	Dundowran Road Residential Subdivision (87 Lots)	Residential	\$3,900,000	16/10/2022
20	4 Pier & 46 Hibiscus Streets Townhouses Urangan (8 Units)	Residential	\$3,000,000	07/11/2022



## 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

\* 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 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.

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

§ 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 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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