


Port Stephens Market Update 2nd Half 2022



OVERVIEW

In Q3 2022, Port Stephens recorded a median house price of \$1,228,000, and a median unit price of \$692,500. This represents annual (Q3 2021 – Q3 2022) median price growth of 23.4% for houses and 28.2% for units. That said on a quarter-by-quarter (Q2-Q3 2022) basis median price grew at a slower rate, of 9.9% (houses) and 10.8% (units). This reflects successive cash rate increases translating into the market. That said the market remains undersupplied, with total sales declining by -30.0% (houses) and -23.2% (units) over the past 12 months. There are new and unique opportunities for buyers and sellers.

	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

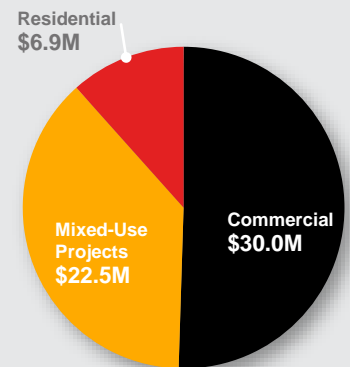


RENTAL AVERAGE DAYS ON
MARKET Q3 2022



FUTURE DEVELOPMENTS

Port Stephens is set to see approximately \$59.3M worth of new projects commencing in the 2nd half of 2022.



A combination between commercial and mixed use projects will stimulate economic growth and create large employment opportunities in Port Stephens. Residential projects will create new stock and answering current demand.

A key commercial project in the 2nd half of 2022 is Soldiers Point Road Seniors Housing Development (\$23.0M). The project is set to add a 7-storey seniors living building comprising of 62 dwellings.

The Angelina Apartments (\$22.5M) will construct a 9-storey mixed-use development comprising of multiple bedrooms and 3 commercial spaces.

Two key residential projects in the 2nd half 2022 include

- Soldiers Point Rd Units (6 units)
- Magnus St Apartment (4 apartments)

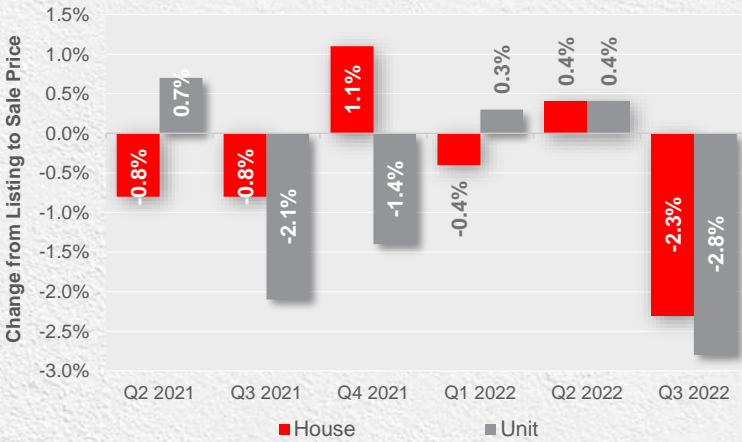
Ready-to-sell standalone houses is still undersupplied, thus creating a buffer for this property type in a rising cash rate environment.



66 Units/
Apartments

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.

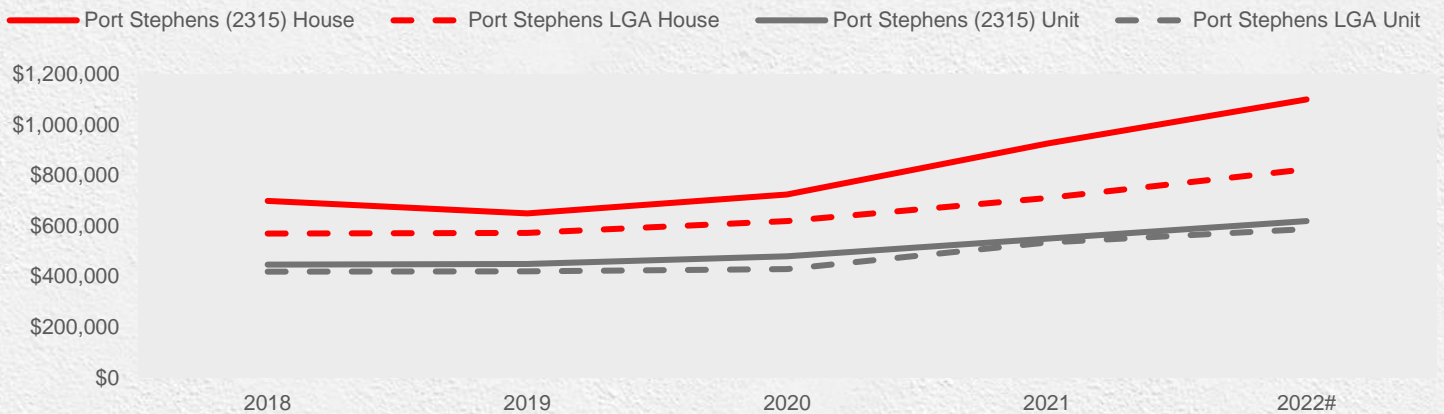


Average vendor discounts between Q3 2021 and Q3 2022 have rapidly widened for both property types, to higher discounts of -2.3% for houses and -2.8% for units. This suggests sellers are willing to negotiate below the first listing price. Q3 2022 saw the highest discount in Port Stephens*, which creates a unique opportunity for first home buyers wanting to enter the market.

Postcode 2315 has historically outperformed the wider Port Stephens Local Government Area (LGA) in both house and unit median prices. This continued to be the case throughout 2022#, with the house market trending towards a premium market despite slower growth in the past quarter (Q2-Q3 2022).

The dominant proportion of homes sold in Port Stephens across 2022 were in the premium price point of \$1,000,000 and above (46.0%). Units also recorded a dominant premium price point, of above \$700,000 (36.6%). That said there is still a wide range of price points available for buyers with different budgets.

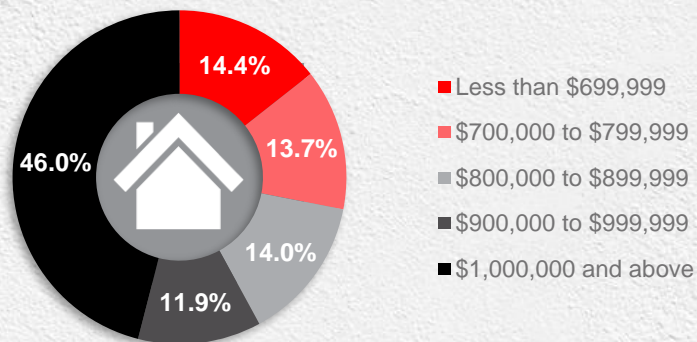
MARKET COMPARISON



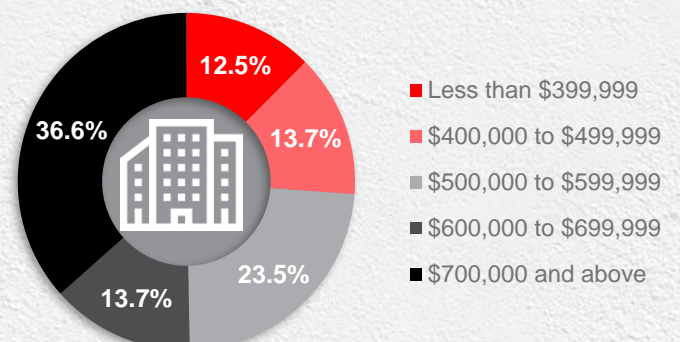
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Postcode 2315.

PRICE BREAKDOWN 2022#

HOUSES SOLD



UNITS SOLD



RENTAL GROWTH 2022€

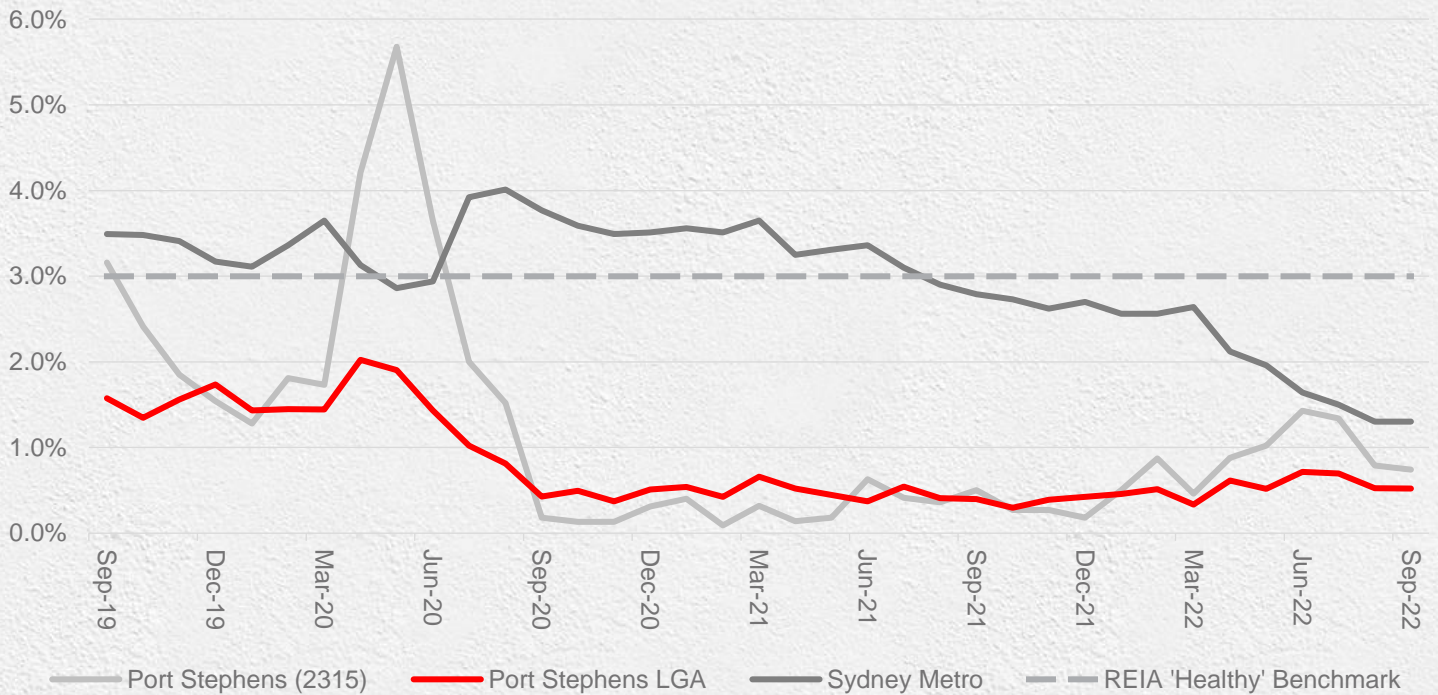
In September 2022, house rental yields in Port Stephens* were recorded at 3.0%, higher than Sydney Metro (2.6%). In the 12 months to Q3 2022 the median house rental price increased by 11.7% to reach \$620 per week, whilst average days to let remained low at 20 days due to a lack of supply. This confirms there is a healthy level of rental demand in Port Stephens*.

3 bedroom houses have provided investors with +16.0% rental growth annually, achieving a median rent of \$580 per week.

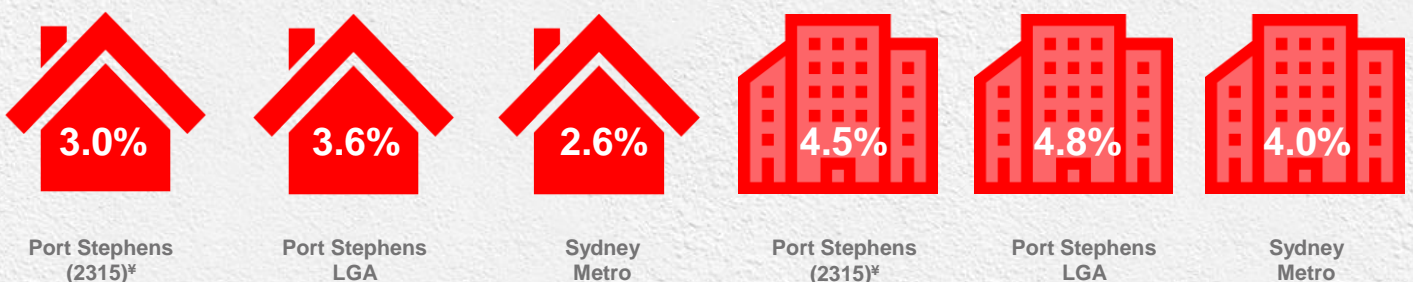
Port Stephens* recorded a vacancy rate of 0.7% in September 2022, below Sydney Metro's 1.3% average. Vacancy rates in Port Stephens* have slightly fluctuated over the 12 months, but trended within the 1.5% mark for the past 23 months. This indicates a sustainable investment environment for investors. Vacancy rates declined between June-September 2022, which suggest a revival in strong rental demand. This translates to quicker occupancy of rental properties. A slower price growth in the past quarter (between Q2-Q3 2022) emphasises an opportunity for investors to enter the market.



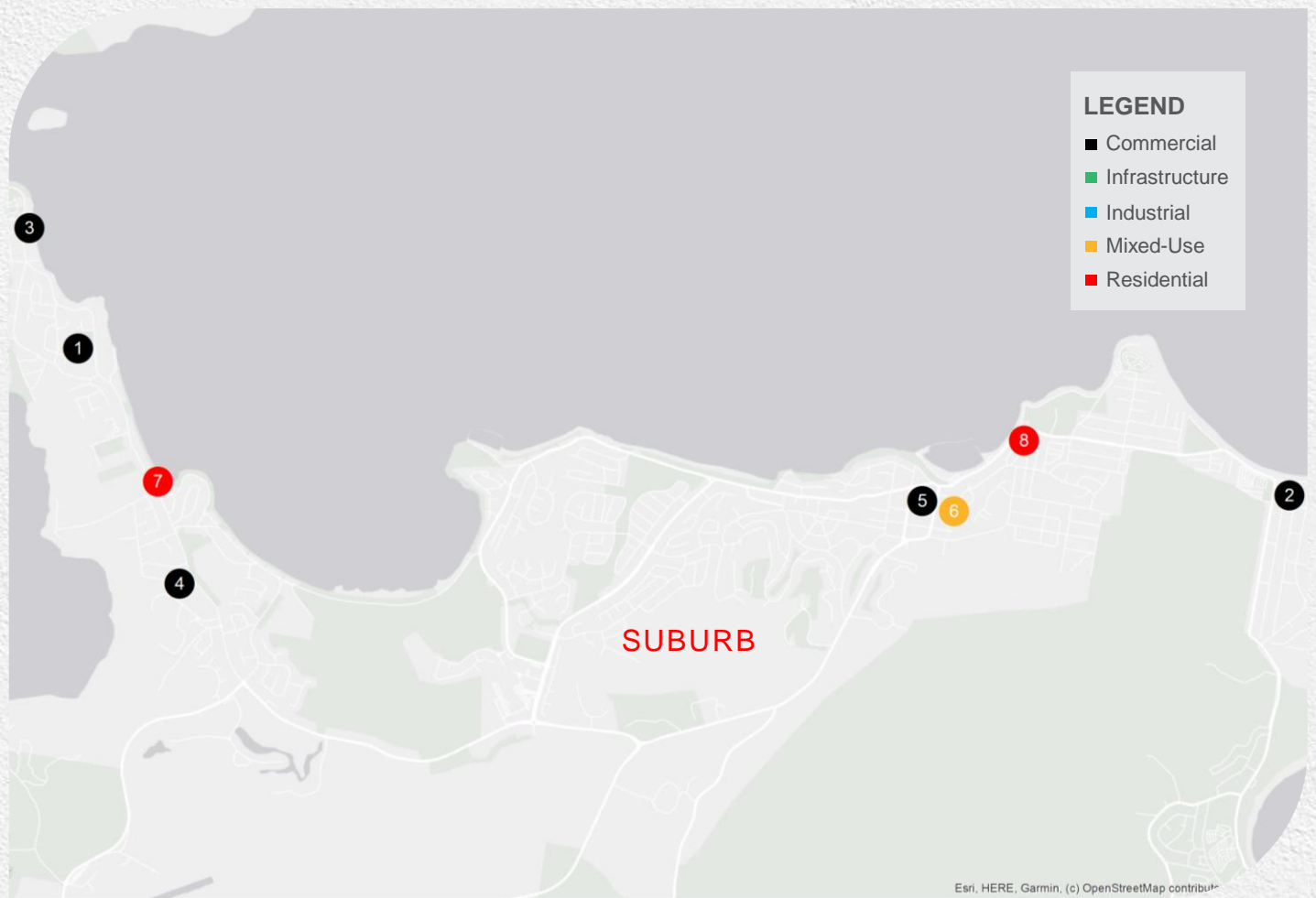
RENTAL VACANCY RATES 2022



RENTAL YIELD 2022\$



TOP DEVELOPMENTS MAP 2nd HALF 2022[Ⓐ]



Location	Project [Ⓔ]	Type	Estimated Value [Ⓜ]	Commence Date [Ⓝ]
1	Soldiers Point Road Seniors Housing Development	Commercial	\$23,000,000	06/12/2022
2	Bullecourt Street & Messines Street Mixed Use Development	Commercial	\$4,000,000	07/11/2022
3	11a Soldiers Point Road Group Home	Commercial	\$1,800,000	22/10/2022
4	George Road Light Industrial Units	Commercial	\$940,000	16/11/2022
5	16 Stockton Street Dental Clinic	Commercial	\$214,000	30/09/2022
6	Angelina Apartments (56 units)	Mixed-use	\$22,485,000	22/08/2022
7	Soldiers Point Road Units (6 units)	Residential	\$3,686,000	20/12/2022
8	Magnus Street Apartments (4 apartments)	Residential	\$3,200,000	14/11/2022



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.



Dane Queenan

Director

+61 412 351 819

daneq@prdportstephens.com.au



Philippa Brooks

General Manager

+02 4984 2000

philippab@prdportstephens.com.au



PRD Port Stephens

P +61 2 4984 2000

F +61 2 4984 2001

PRD.com.au/portstephens

4 Central Avenue
Salamander Bay NSW 2317

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 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.

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

§ 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 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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