



# Gwandalan and Summerland Point Market Update 2<sup>nd</sup> Half 2022



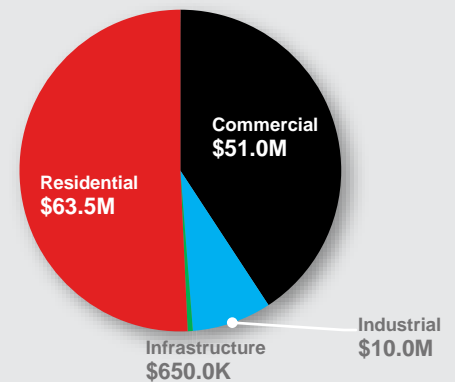
## OVERVIEW

In Q3 2022, Central Coast\* (postcode 2259) recorded a median house price of \$802,000. This is an annual (Q3 2021 – Q3 2022) 2.8% growth. That said, on a quarter by quarter basis (Q2 2022 – Q3 2022), median house price softened by -8.9%. This reflects cash rate hikes and consumer uncertainty translating into the market. Total house sales decreased annually and quarterly, with Q3 2022 recording the lowest number (244 sales). The unit market recorded an 17.9% median price growth annually and 2.7% quarterly. A lower median unit price growth in the past quarter further confirms the impact of cash rate hikes.

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

## FUTURE DEVELOPMENTS

Central Coast\* (postcode 2259) is set to see approx. **\$125.2M** worth of new projects commencing in the 2<sup>nd</sup> 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 2<sup>nd</sup> half of 2022 is Tuggerah Retail Centre (\$29.7M). This project will comprise of 3 retail buildings combined with 389-car park space.

Key projects that plan to deliver new property stock include:

- Lake Munmorah & Crangan Bay Subdivision (\$30M, 620 lots)
- Kamira Road Dwellings (\$3.39M, 12 dwellings)
- Warnervale Road (\$9.0M, 89 lots)

Together these projects will assist in increasing housing supply in the market, ensuring sustainable growth in property prices.

## MARKET CONDITIONS

### SALES MEDIAN PRICE Q3 2022



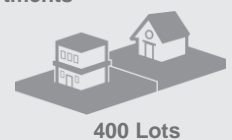
### SALES AVERAGE DAYS ON MARKET Q3 2022



### RENTAL MEDIAN PRICE Q3 2022

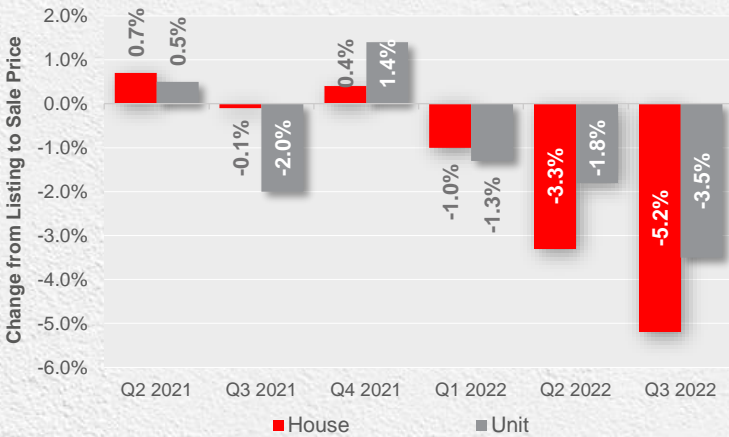


### RENTAL AVERAGE DAYS ON MARKET Q3 2022



# 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.

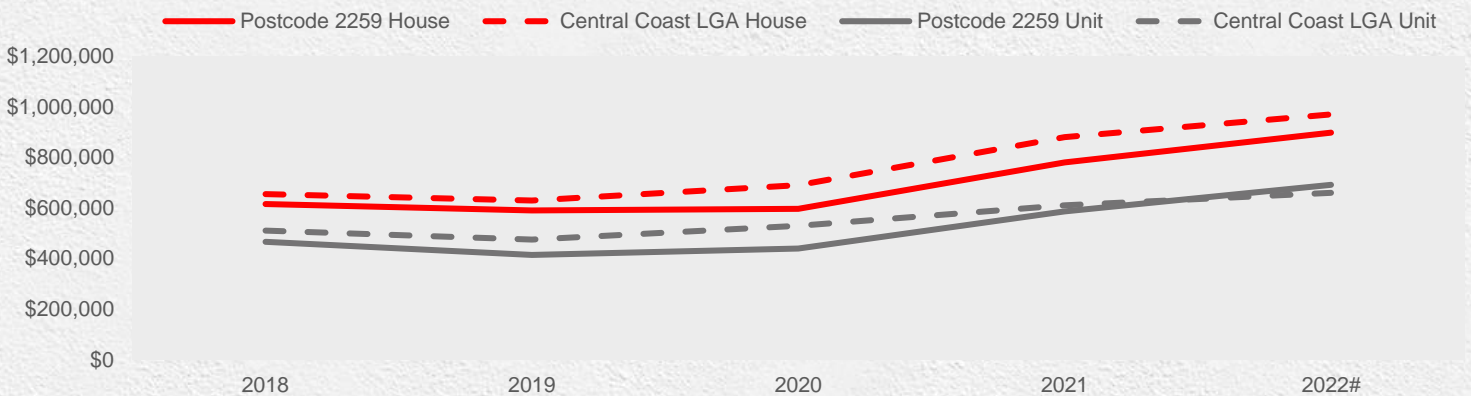


Average vendor discounts between Q3 2021 and Q3 2022 have rapidly shifted for both property types, to wider discounts of -4.9% for houses and -5.3% for units. Market conditions in Central Coast\* have started to shift towards favour buyers, as vendors are willing to accept below the initial listing price.

Postcode 2259 has historically offered an affordable market compared to the wider Central Coast Local Government Area (LGA). In 2022# the house market trended to parity with the LGA whereas the unit market trended towards a more premium market, even with a slower growth on a quarter by quarter basis.

The dominant proportion of homes sold in Central Coast\* across 2022# were in the premium price bracket of \$1,000,000 and above (25.6%). Units recorded a dominant more affordable price point, of less than \$550,000. The house market shows equal opportunity for different price points, thus creating a wider net for first home buyers.

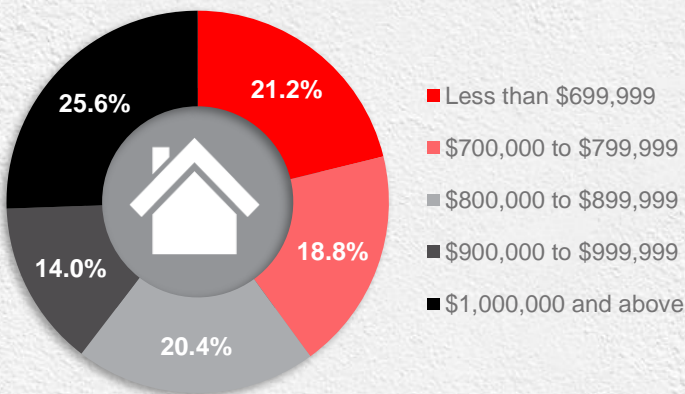
## MARKET COMPARISON



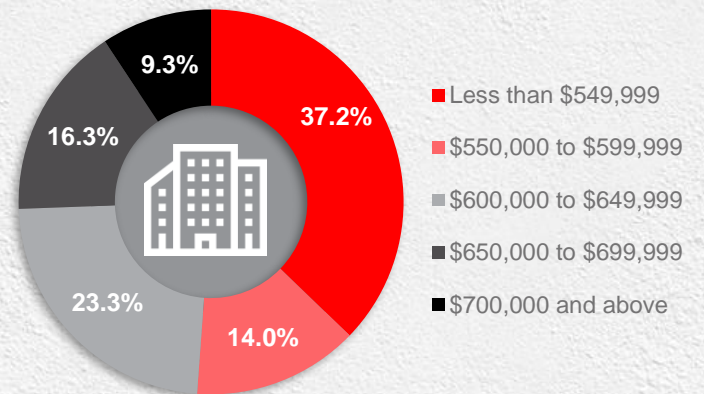
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled are chosen based on their proximity to the main suburb analysed, which is Postcode 2259.

## PRICE BREAKDOWN 2022#

### HOUSES SOLD



### UNITS SOLD



# RENTAL GROWTH 2022€

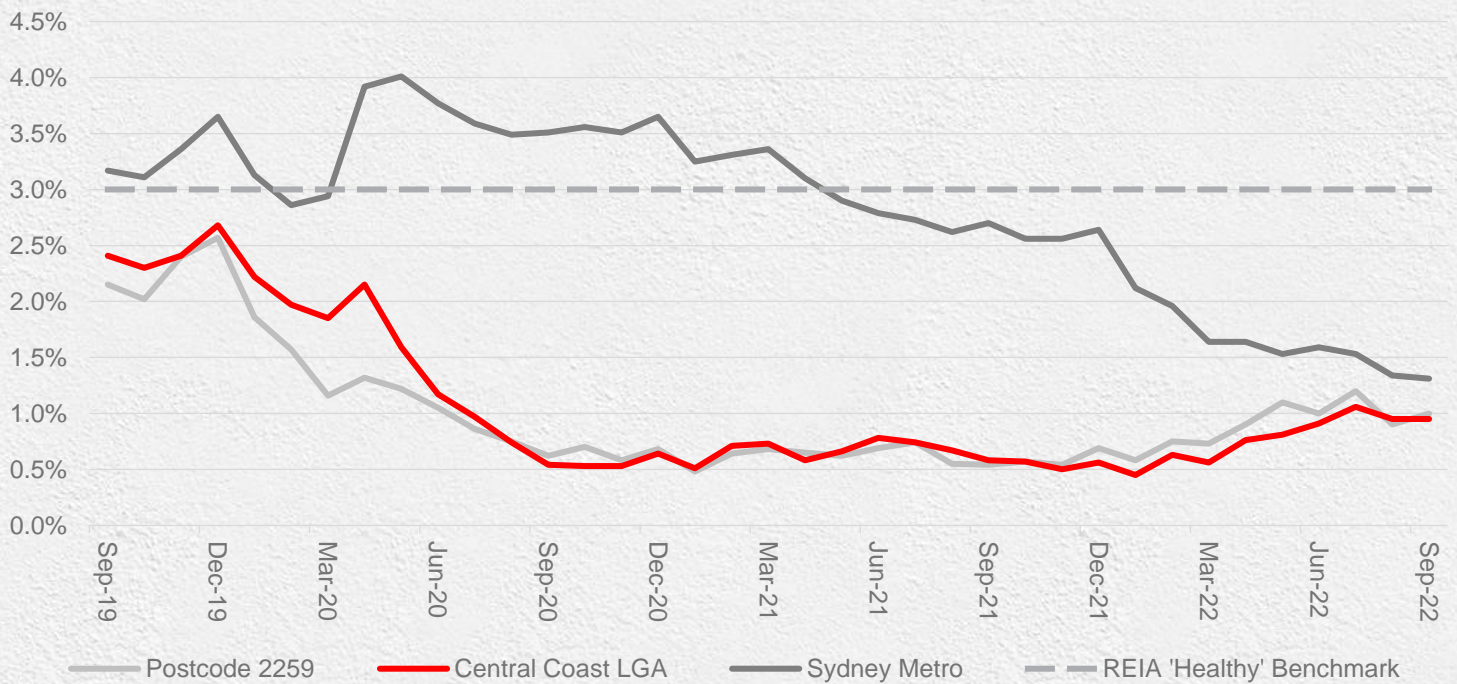
In September 2022, house rental yields in Central Coast (Postcode 2259) were recorded at 3.4%, higher than Sydney Metro (2.6%). In the 12 months to Q3 2022, median house rental price increased 11.5% to reach \$580 per week, despite a 33.4% increase (to 623) in the number of houses rented. Average days on the market remain low at 19 days. This represents a resilient rental market in Central Coast, which has a more affordable investment entry price compared to Sydney Metro.

2 bedroom houses have provided investors with +12.5% rental growth annually, achieving a median rent of \$450 per week.

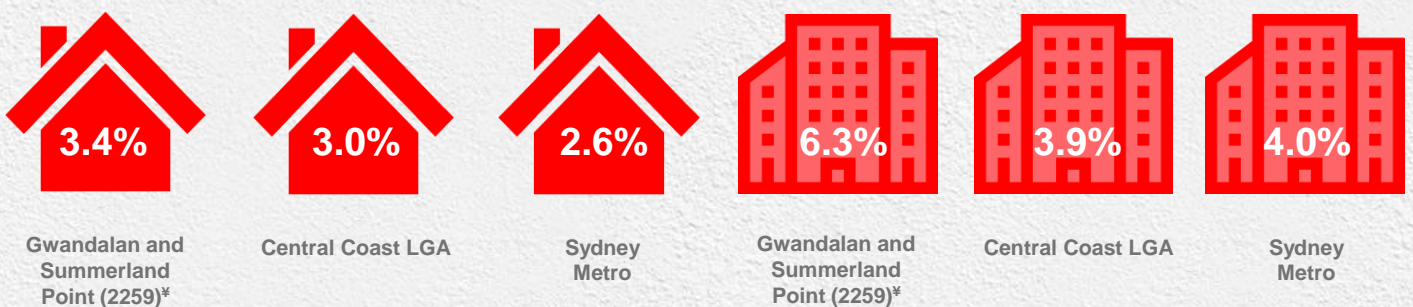
Postcode 2259\* recorded a vacancy rate of 1.0% in September 2022, which is below Sydney Metro's 1.3% average. Vacancy rates in Postcode 2259\* have had a slight uptick in early 2022, but declined in the past 3 months. It trended below 1.2% for 18 months, which suggest quicker occupancy of rental properties. These key indicators create a conducive and sustainable environment for investors, particularly with the median house price downturn in the past quarter (Q2-Q3 2022).



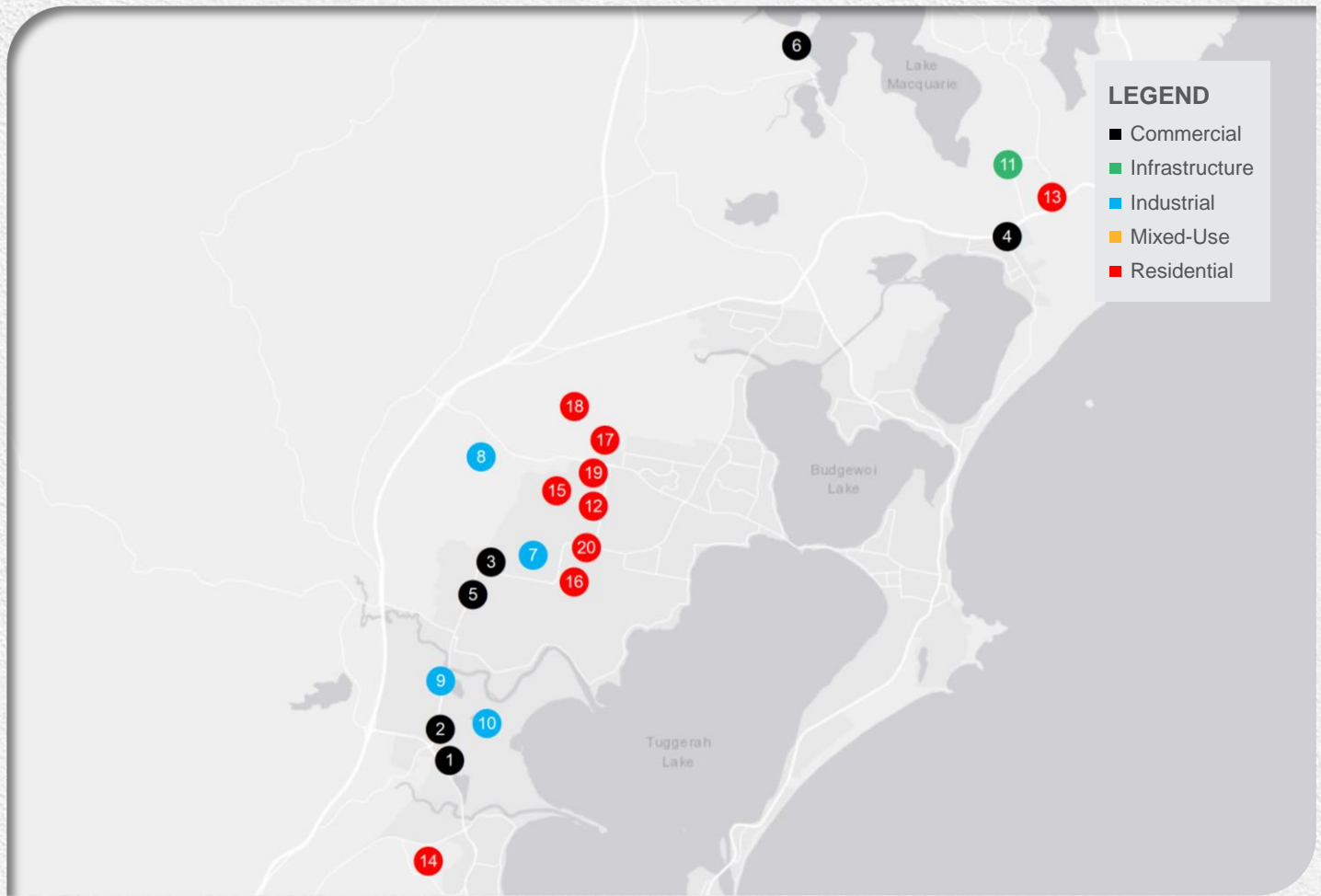
# RENTAL VACANCY RATES 2022



# 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	Tuggerah Retail Centre	Commercial	\$29,777,000	16/11/2022
2	Bryant Drive Mixed Use Development	Commercial	\$11,482,000	18/08/2022
3	1-10 Amy Close - Golflinks Commercial Campus	Commercial	\$650,000	26/08/2022
4	Elizabeth Bay Dr Manufactured Home Estate	Commercial	\$750,000	03/10/2022
5	Wyong Golf Club	Commercial	\$500,000	05/09/2022
6	Government Road Commercial & Community Buildings	Commercial	\$1,950,000	10/10/2022
7	Lucca Road Warehouse Units	Industrial	\$3,905,000	05/09/2022
8	Jack Grant Avenue Waste Or Resource Management Facility	Industrial	\$3,755,000	28/11/2022
9	Pacific Highway & Johnson Road Industrial Buildings	Industrial	\$3,700,000	12/10/2022
10	Lake Road Light Industrial Units	Industrial	\$1,400,000	12/12/2022
11	Mulloy Reserve Carpark	Infrastructure	\$400,000	12/07/2022
12	97 Minnesota Road Residential Subdivision (44 lots)	Residential	\$1,900,000	07/12/2022
13	Lake Munmorah & Crangan Bay Subdivision (620 lots)	Residential	\$30,000,000	20/08/2022
14	Berkeley Road Residential Subdivision (48 lots)	Residential	\$2,400,000	03/10/2022
15	Warnervale Road Residential Subdivision (39 lots)	Residential	\$2,850,000	07/12/2022
16	Kamira Road Dwellings (12 dwellings)	Residential	\$3,390,000	06/12/2022
17	224-234 Hakone Road Residential Subdivision (57 lots)	Residential	\$4,560,000	03/11/2022
18	Warnervale Town Centre (89 lots)	Residential	\$9,000,000	26/10/2022
19	Warnervale Road Residential Subdivision Stages 1-2 (51 lots)	Residential	\$2,300,000	14/07/2022
20	Pacific Highway Dwellings (10 dwellings)	Residential	\$2,995,000	05/09/2022



## 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

\*Central Coast market data and key indicators encapsulates aggregate property market conditions within the postcode 2259.

\*\* 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.

¥ Central Coast market data encapsulates aggregate property conditions within the postcode of 2259.

§ 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 Postcode 2259.

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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