



Hervey Bay Market Update 1st Half 2023



OVERVIEW

In Q1 2023, Hervey Bay* recorded a median house price of \$608,750, and a median unit price of \$419,000. This represents annual (Q1 2022 – Q1 2023) median price growth of 1.5% for houses and 7.4% for units. That said, on a quarterly basis (Q4 2022 – Q1 2023) median house price grew by a slower rate, of 1.0%, and median unit price softened by -2.0% for units. This suggests that cash rate hikes have translated in the market. Sales did decline by -53.7% (to 239 houses) and -35.1% (to 96 units) in the past 12 months, indicating an undersupply of stock. At the same time, there is higher affordability for buyers.

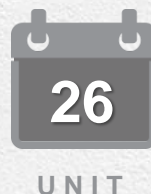
	CHANGE FROM LAST	YEAR	HALF YEAR
 House Sales		↓	↓
House Median Price		↑	↑
House Rental Price		↑	↑
 Unit Sales		↓	↓
Unit Median Price		↑	↑
Unit Rental Price		↑	↔

MARKET CONDITIONS

SALES MEDIAN PRICE
Q1 2023



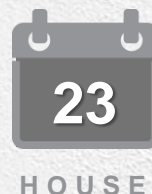
SALES AVERAGE DAYS ON
MARKET Q1 2023



RENTAL MEDIAN PRICE
Q1 2023

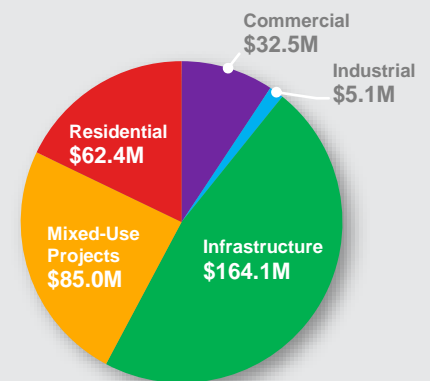


RENTAL AVERAGE DAYS ON
MARKET Q1 2023



FUTURE DEVELOPMENTS

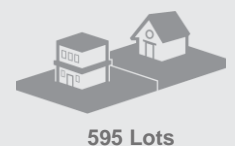
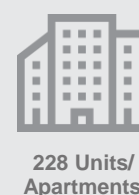
Hervey Bay will see approximately **\$349.0M** worth of new projects commencing in the 1st half of 2023.



These projects will stimulate economic growth and create large employment opportunities in Hervey Bay. This will have a spill-over impact on the real estate market, most likely through higher demand for housing.

Multiple residential projects are due to commence construction in the 1st half of 2023. Examples include:

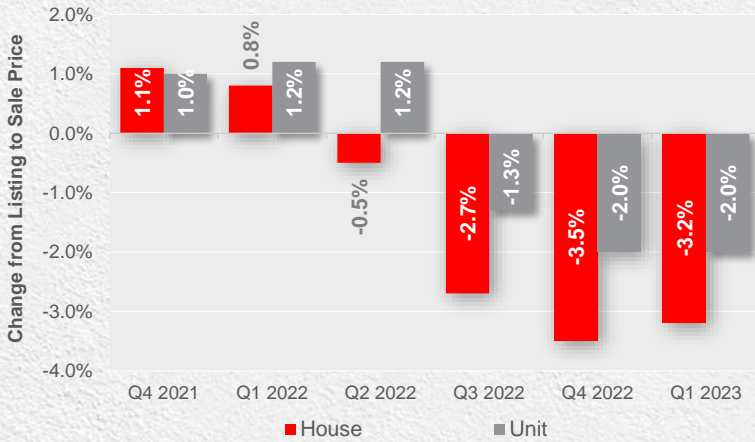
- Boat Harbour Drive Units (28 units)
- Truro St Residential Development (14 townhouses)
- Queens Rd & The Esplanade Units (9 units)
- Charles St Units (19 units)
- Kingston Hervey Bay Residential Estate (71 lots)
- Lot 2 Madsen Rd Subdivision (111 Lots)



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.

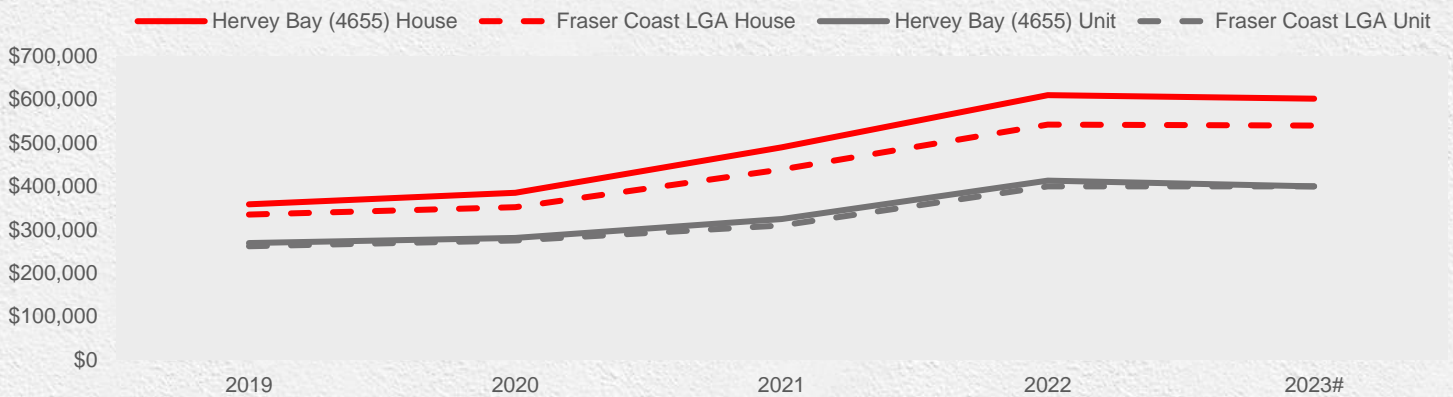
Average vendor discounts between Q4 2021 and Q4 2022 have rapidly swung to a discount for both property types, of -3.2% for houses and -2.0% for units. Sellers are willing to accept below the initial listing price. Market conditions have shifted to favour buyers, as evident in average vendor discounting trend in the past 3 quarters.



The suburb of Hervey Bay has historically outperformed the wider Fraser Coast Local Government Area (LGA) in house median prices, and performed on par for units. Early 2023# this trend continuing, even with Hervey Bay median house price recording slower growth.

The dominant proportion of homes sold in Hervey Bay* across 2022/23# were in the most affordable price point of less than \$549,000 (32.3%). Units also recorded a dominance in this price category, of less than \$349,000 (28.7%). Affordable options are more available, in good news for buyers. Both house and unit premium market continue to perform, accounting for 15.1% and 26.2% (respectively) of sales.

MARKET COMPARISON

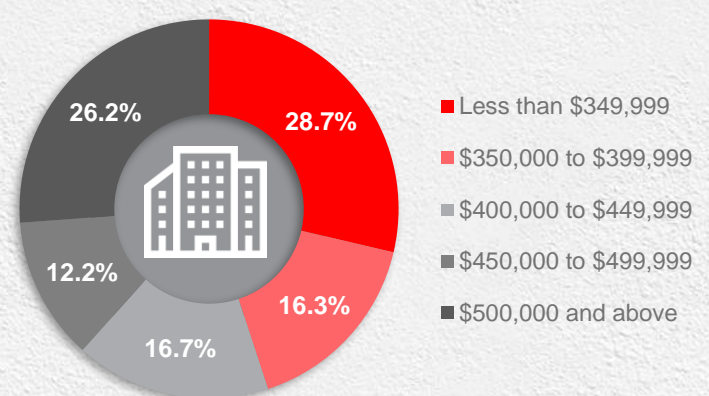
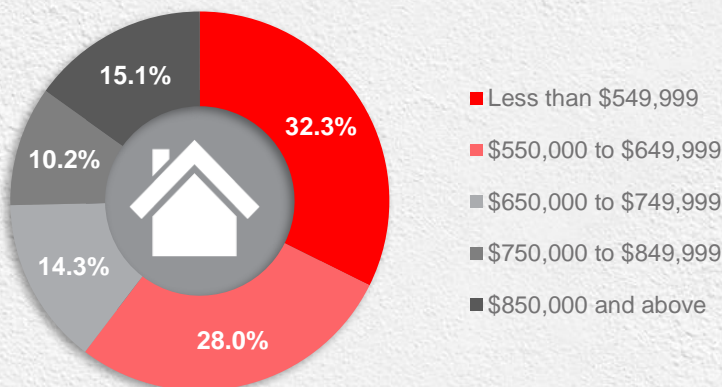


The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Hervey Bay.

PRICE BREAKDOWN 2022/23#

HOUSES SOLD

UNITS SOLD



RENTAL GROWTH 2023€

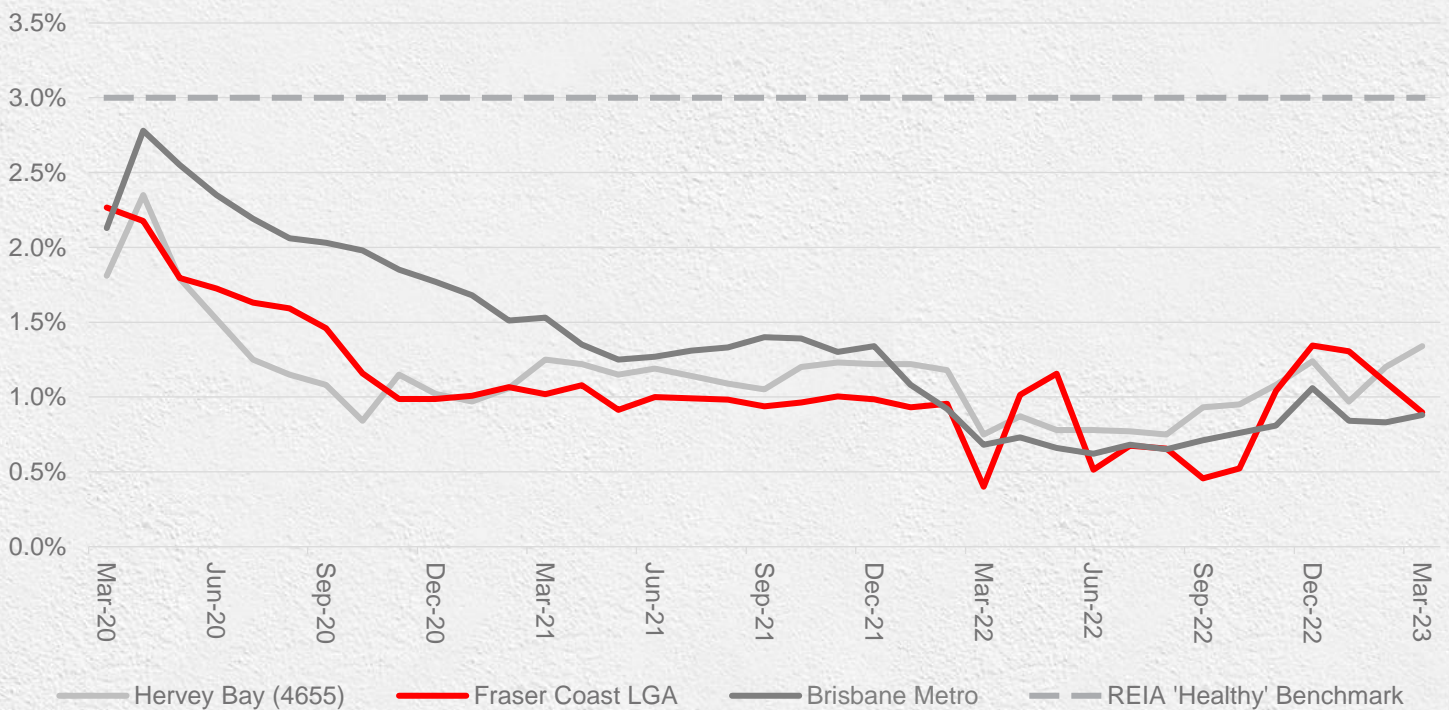
House rental yields in Hervey Bay* was 4.1% in March 2023, higher than Brisbane Metro (3.7%). This was paired with a 6.0% increase in median house rental price in the past 12 months to Q1 2023 (to \$530 per week) and a 35.9% increase in the number of houses rented (to 352 houses). Average days on the market remained a low 23 days in Q1 2023. The same pattern can be seen in the unit rental market, confirming a resilient rental market in Hervey Bay*.

2 bedroom houses have provided investors with +17.6% rental growth annually, achieving a median rent of \$400 per week.

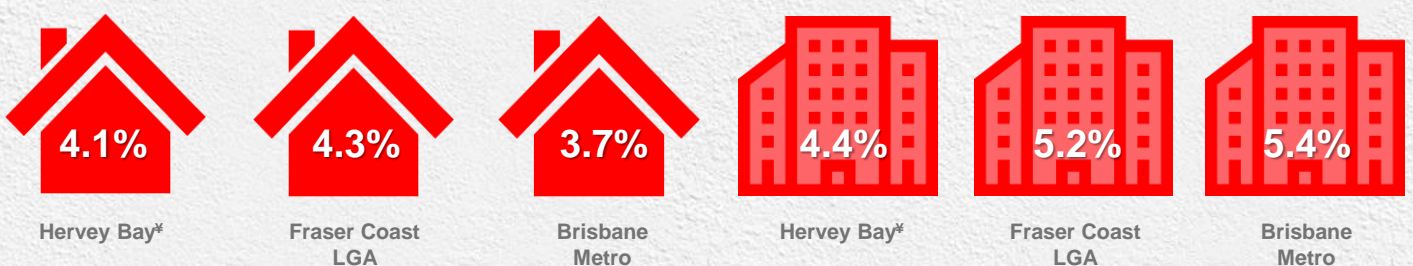
Hervey Bay* recorded a vacancy rate of 1.3% in March 2023, slightly above Brisbane Metro's 0.9% average. Vacancy rates in Hervey Bay* saw a slight spike in the last 12 months, potentially due to investors capitalising on a tight rental market. Yet it is still below the Real Estate Institute of Australia's healthy benchmark of 3.0%. Thus a conducive investment environment, especially with higher affordability due to a slower pace in house price growth in the past quarter (Q4 2022 – Q1 2023).



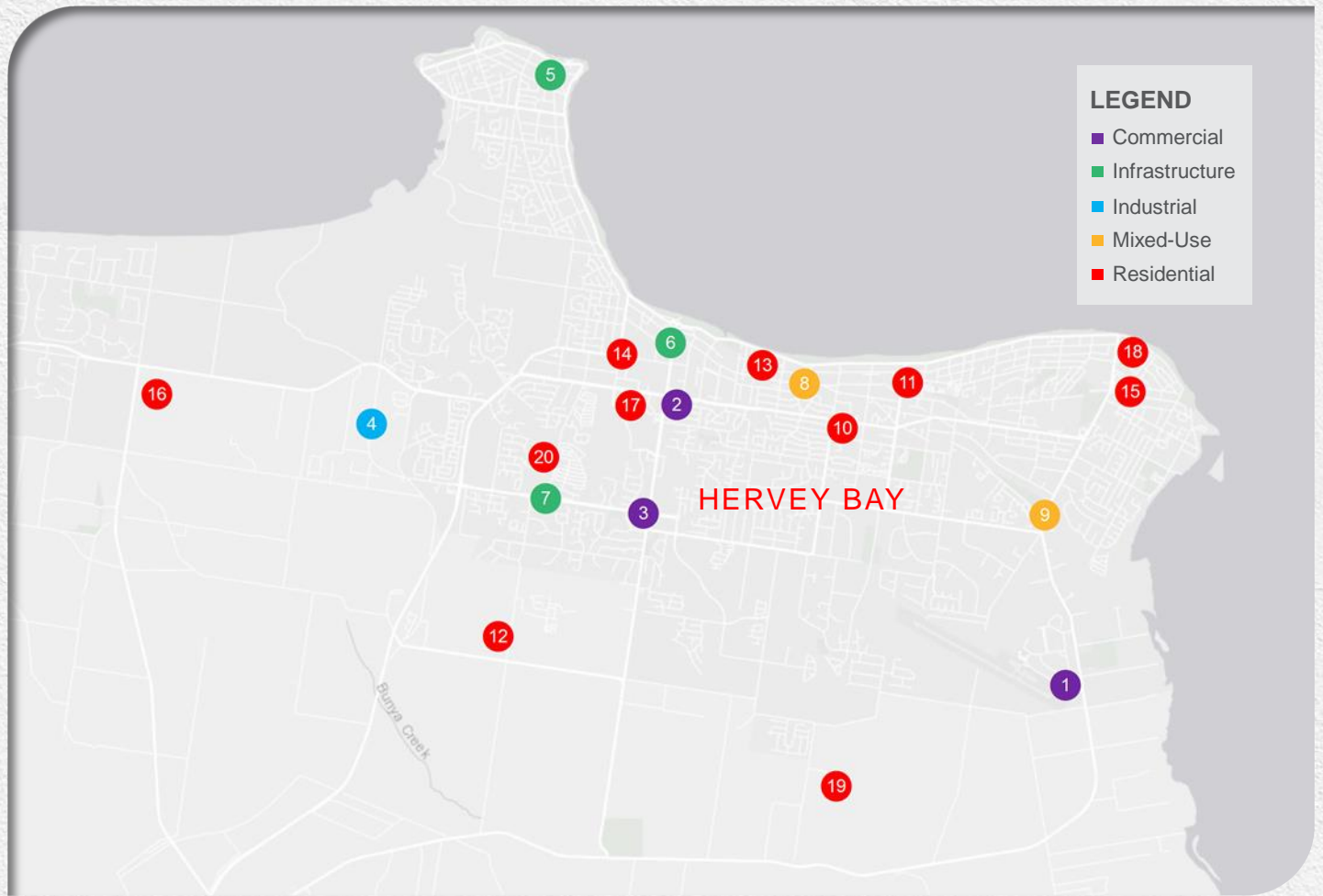
RENTAL VACANCY RATES 2023



RENTAL YIELD 2023\$



TOP DEVELOPMENTS MAP 1st HALF 2023^A



Location	Project [£]	Type	Estimated Value ^µ	Commence Date ^ψ
1	Hervey Bay Retail Block	Commercial	\$2,400,000	18/02/2023
2	Hervey Bay Homemaker Centre Conversion	Commercial	\$4,500,000	02/05/2023
3	St Stephens Private Hospital Extension Stage 3	Commercial	\$20,000,000	27/03/2023
4	Lot 1002 Drury Lane Self Storage Sheds A/c	Industrial	\$2,200,000	19/03/2023
5	Scarness Beachfront Tourist Caravan Park Redevelopment Phase 1	Infrastructure	\$3,500,000	30/01/2023
6	Hervey Bay Library & Administration Building Development	Infrastructure	\$100,000,000	22/05/2023
7	Hervey Bay Hospital Expansion	Infrastructure	\$57,000,000	14/06/2023
8	432 Esplanade Mixed Use Development (36 Units)	Mixed-use	\$35,000,000	01/02/2023
9	Marina Square (120 Units)	Mixed-use	\$50,000,000	01/04/2023
10	Boat Harbour Drive Units (28 Units)	Residential	\$7,500,000	16/01/2023
11	Truro Street Residential Development (14 Townhouses)	Residential	\$7,000,000	17/05/2023
12	Madsen & Chapel Roads Residential Subdivision (146 Lots)	Residential	\$6,600,000	16/02/2023
13	Queens Road & The Esplanade Units (9 Units)	Residential	\$2,250,000	16/01/2023
14	Charles Street Units (16 Units)	Residential	\$4,800,000	14/02/2023
15	Shell Street Units (19 Units)	Residential	\$4,750,000	23/05/2023
16	Beachside Dundowran Beach Residential Subdivision Stages 1-5 (99 Lots)	Residential	\$4,500,000	26/06/2023
17	Kingston Hervey Bay Residential Estate (71 Lots)	Residential	\$3,200,000	16/02/2023
18	563 Esplanade Residential Development (4 Townhouses, 5 Dwellings)	Residential	\$2,500,000	21/05/2023
19	Doolong South Road Residential Subdivision (168 Lots)	Residential	\$7,600,000	27/03/2023
20	Lot 2 Madsen Road Residential Subdivision (111 Lots)	Residential	\$5,000,000	06/03/2023



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.



Jim McKay

Principal

M 0418 717 341

Ph 07 4125 1900

E jimmckay@prd.com.au



PRD Hervey Bay

P 07 4125 1900

PRD.com.au/herveybay

**428 Esplanade
Torquay QLD 4655**

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.

2023 encapsulates sales transactions for Quarter 1 (01/01/2023 – 31/3/2023) only.

€ Annual rental growth is a comparison between Quarter 1 2022 (01/01/2022 – 31/3/2022) and Quarter 1 2023 (01/01/2023 – 31/3/2023) house median rent figures.

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

§ Rental yields shown are as reported as of March 2023.

⌘ 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.

Disclaimer: PRD does not give any warranty in relation to the accuracy of the information contained in this report. If you intend to rely upon the information contained herein, you must take note that the information, figures and projections have been provided by various sources and have not been verified by us. We have no belief one way or the other in relation to the accuracy of such information, figures and projections. PRD will not be liable for any loss or damage resulting from any statement, figure, calculation or any other information that you rely upon that is contained in the material.

Prepared by PRD Research. © All medians and volumes are calculated by PRD Research. Use with written permission only. All other responsibilities disclaimed. © Copyright PRD 2023.

