



Port Stephens Market Update 1st Half 2023



OVERVIEW

In Q1 2023, Port Stephens* recorded a median house price of \$1,050,000, and a median unit price of \$666,000. This represents annual (Q1 2022 – Q1 2023) growth of 4.4% for houses and a softening of -0.2% for units. However on a quarterly basis (Q4 2022 – Q1 2023) median house price grew faster, by 9.1%. Thus cash rate hikes might have dampened price growth temporarily, however consumer confidence has returned. House sales declined by -22.4% in the past 12 months, thus recent price growth is due to an undersupply of stock. There is a more affordable unit market, however time is of the essence.

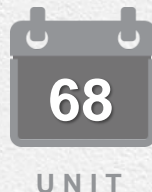
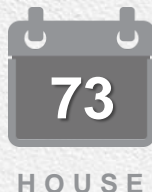
	CHANGE FROM LAST	YEAR	HALF YEAR
	House Sales	↓	↓
	House Median Price	↑	↓
	House Rental Price	↑	↑
	Unit Sales	↓	↓
	Unit Median Price	↓	↑
	Unit Rental Price	↑	↑

MARKET CONDITIONS

SALES MEDIAN PRICE
Q1 2023



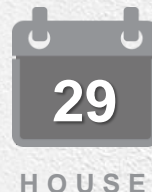
SALES AVERAGE DAYS ON
MARKET Q1 2023



RENTAL MEDIAN PRICE
Q1 2023

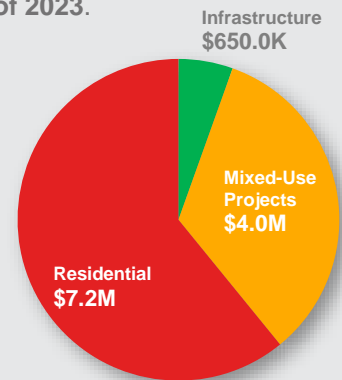


RENTAL AVERAGE DAYS ON
MARKET Q1 2023



FUTURE DEVELOPMENTS

Port Stephens is set to see approximately **\$11.9M** worth of new projects commencing in the 1st half of 2023.



A focus on residential projects is ideal for the area, due to the current undersupply of stock. This will add more properties to the area and assist with answering high demand.

There is four key residential project planned for the 1st half of 2023. These developments include:

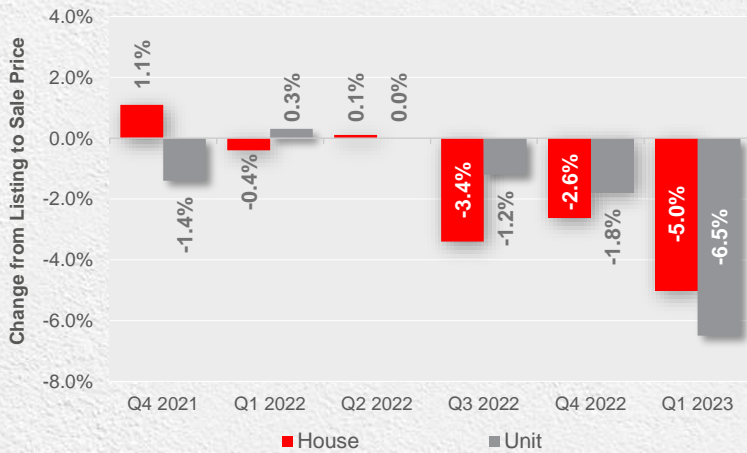
- Soldiers Point Road Units (6 units)
- Columbia Close Apartments (4 apartments)
- Leonard Avenue Dwellings (5 dwellings)
- Bullecourt Street & Messines Street Mixed-use Development (12 apartments)

New ready-to-sell units will assist with current undersupply, however only for certain types of buyers and demographics. In the near future there is still a reliance on owners selling due to a deficit in ready-to-sell new houses. This will continue to put pressure on house prices.



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.

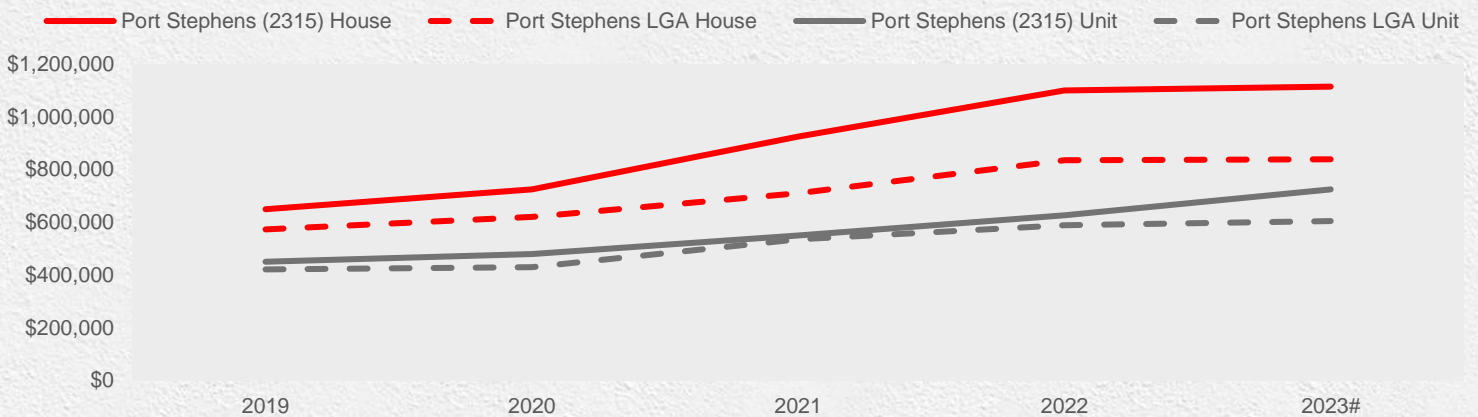


Average vendor discounts between Q1 2022 and Q1 2023 have widened to larger discounts for both houses and units, at -5.0% and -6.5% respectively. This suggests the Port Stephens* market continues to favour buyers, as vendors are willing to accept below the initial listing price. Q1 2023 marks the highest average discount in the past 18 months, thus an opportunity for buyers.

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 in early 2023#, even with slower price growth.

The dominant proportion of homes sold in Port Stephens* across 2022/23# were in the premium price point of above \$1,150,000 (36.4%). Likewise for units, the dominant proportion of units sold were priced in the premium bracket of above \$800,000 (31.0%). That said there is almost equal opportunity for first home buyers, with 27.1% (houses) and 23.1% (units) of sales being in the most affordable price point. Overall there is a home for every budget in Port Stephens*.

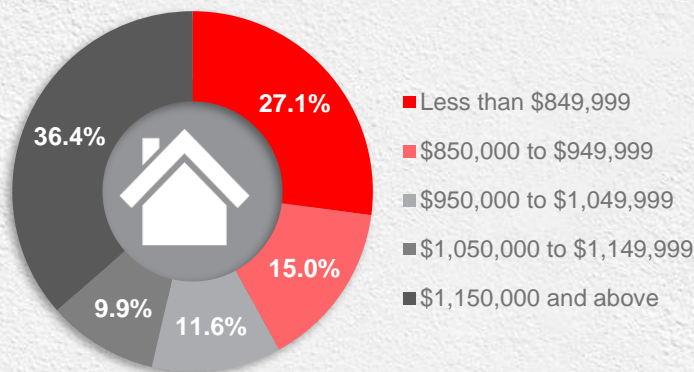
MARKET COMPARISON



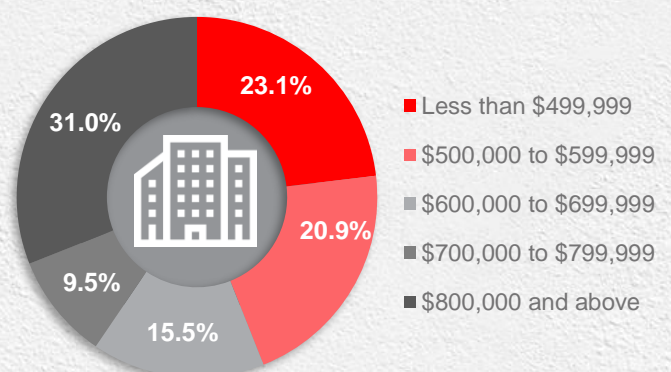
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Postcode 2315.

PRICE BREAKDOWN 2022/23#

HOUSES SOLD



UNITS SOLD

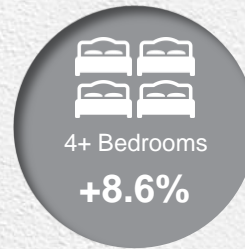


RENTAL GROWTH 2023€

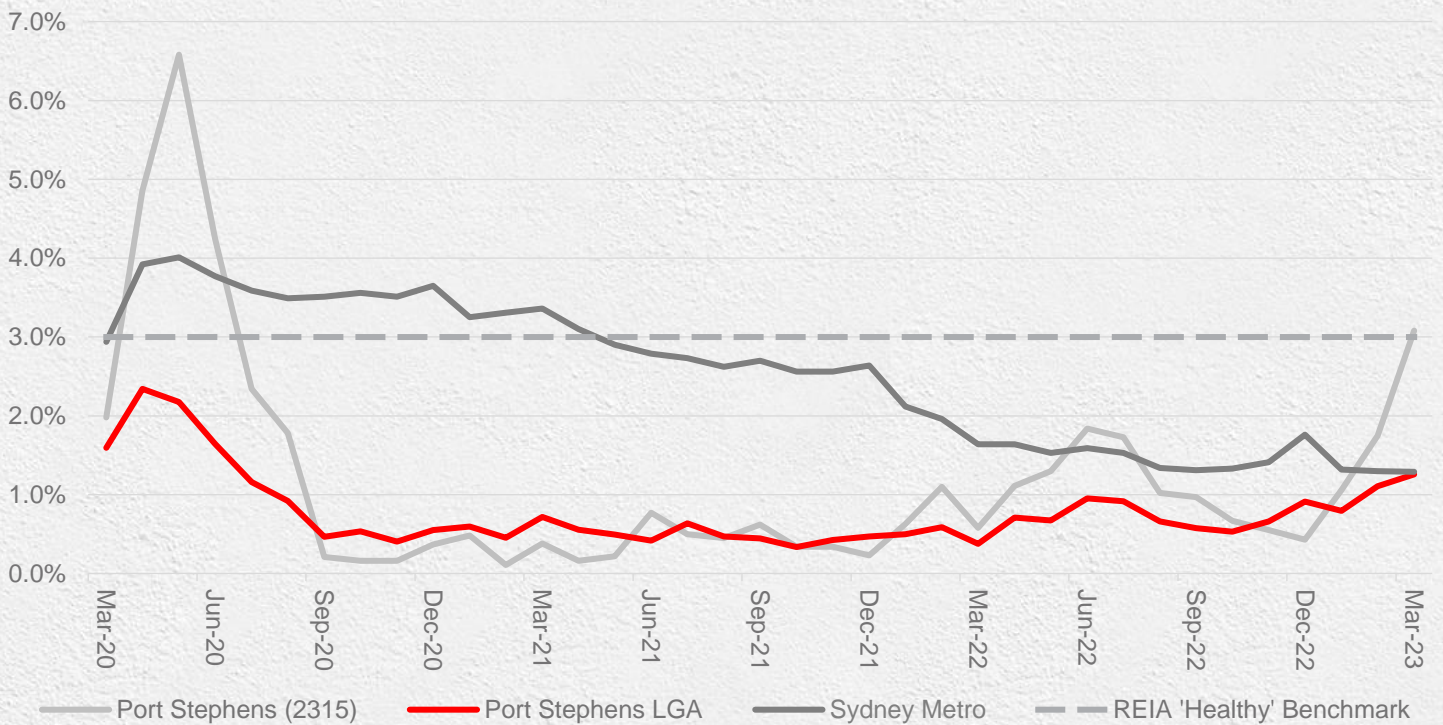
House rental yields in Port Stephens* was 3.3% in March 2023, much higher than Sydney Metro (2.9%). Further, median house rental price increased by 3.4% (to \$610 per week) in the past 12 months to Q1 2023, and the number of house rented increased by 23.8% (to 78 rentals). Average days on the market increased to sit at 29 days in Q1 2023. The same pattern can be seen in the unit rental market, thus confirming a resilient rental market in Port Stephens*.

3 bedroom houses have provided investors with +14.6% rental growth annually, achieving a median rent of \$590 per week.

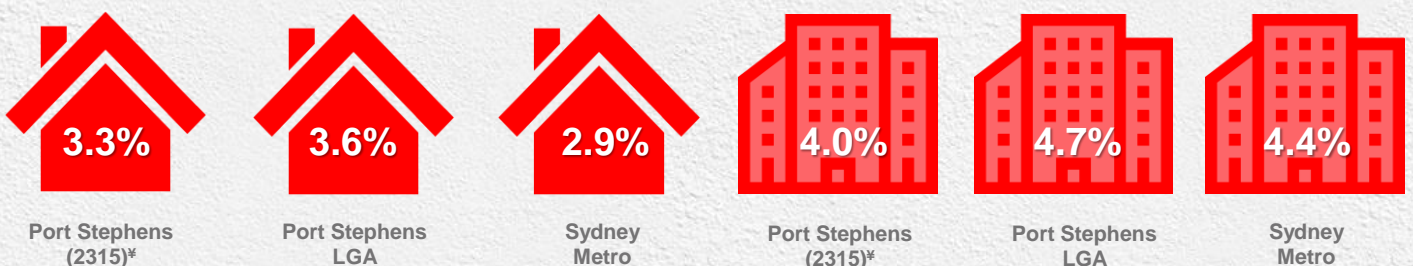
Port Stephens* recorded a vacancy rate of 3.1% in March 2023, well above Sydney Metro's 1.3%. The sudden spike can be attributed to investors capitalising on a tight rental market and extremely low vacancy rates since 2020. Further, vacancy rates spike is a common trend across New South Wales. Traditionally vacancy rates in Port Stephens have sat within the Real Estate of Institute of Australia healthy benchmark of 3.0%, thus a conducive environment for long term investment.



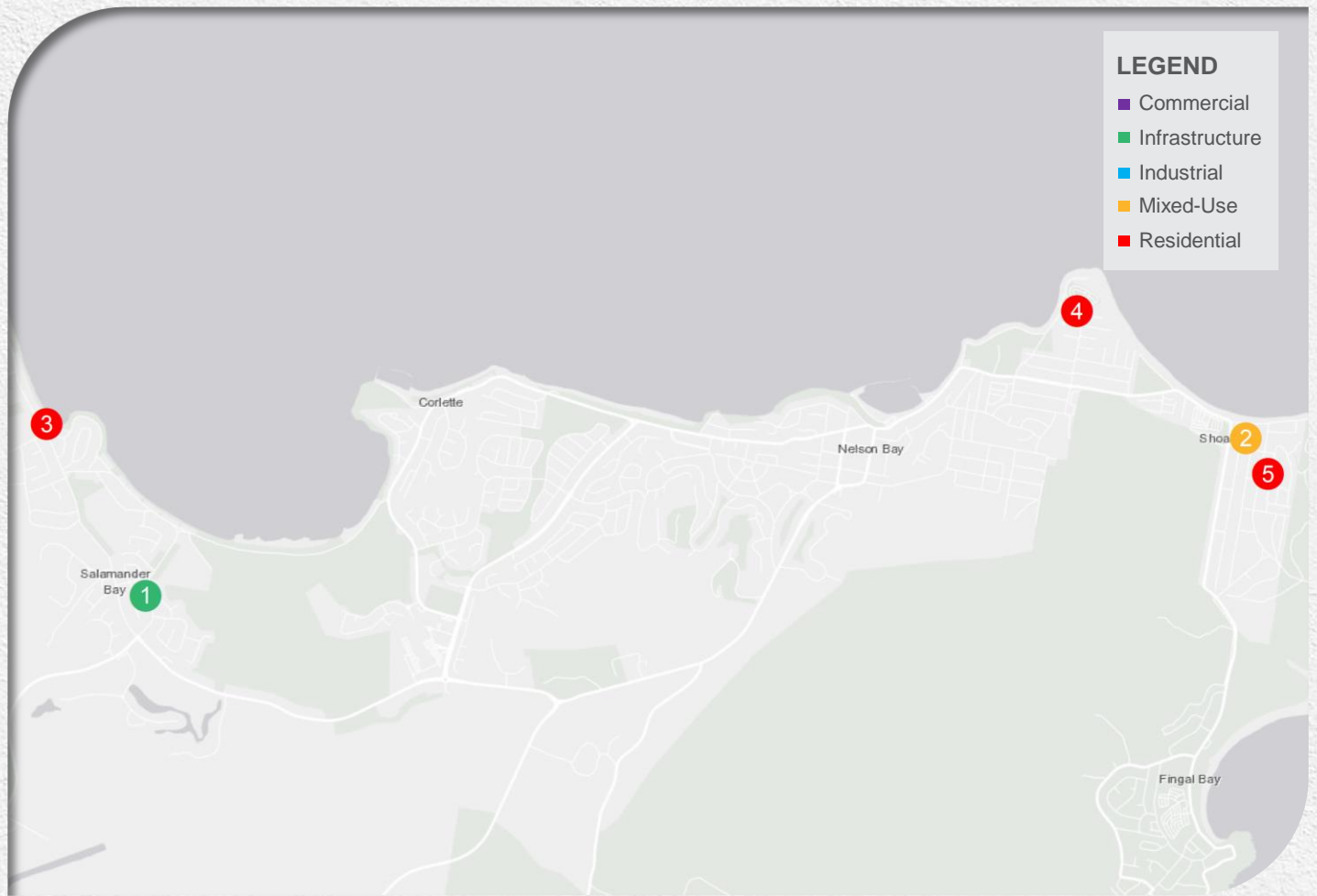
RENTAL VACANCY RATES 2023



RENTAL YIELD 2023\$



TOP DEVELOPMENTS MAP 1st HALF 2023^A



Location	Project [£]	Type	Estimated Value [¥]	Commence Date [Ⓜ]
1	Port Stephens Drive Fauna Fencing	Infrastructure	\$650,000	19/06/2023
2	12 Bullecourt Street & 14 Messines Street Mixed Use Development (12 apartments)	Mixed-use	\$4,000,000	07/04/2023
3	Soldiers Point Road Units (6 units)	Residential	\$3,686,000	03/04/2023
4	Columbia Close Apartments (4 apartments)	Residential	\$2,800,000	03/06/2023
5	Leonard Avenue Dwellings (5 dwellings)	Residential	\$750,000	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.



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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.

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.

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

§ 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 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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