



Hervey Bay Market Update 2nd Half 2023



OVERVIEW

In Q3 2023, Hervey Bay recorded a median house price of \$618,000, and a median unit price of \$444,500. This represents annual (Q3 2022 – Q3 2023) growth of 3.0% for houses and 6.5% for units. On a quarterly basis (Q2 2023 – Q3 2023) median prices have softened, by -1.9% (house) and -5.0% (units). Total sales have decreased annually and quarterly, with Q3 2023 recording the lowest number of sales in the past 18 months. Quarterly price growth is reflective of higher interest rates translating into the market, however there is a severe shortage of listings with buyers drastically outnumbering sellers.

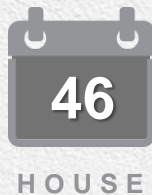
	CHANGE FROM LAST	YEAR	HALF YEAR
	House Sales	↓	↓
	House Median Price	↑	↑
	House Rental Price	↑	↑
	Unit Sales	↓	↓
	Unit Median Price	↑	↑
	Unit Rental Price	↑	↑

MARKET CONDITIONS

SALES MEDIAN PRICE Q3 2023



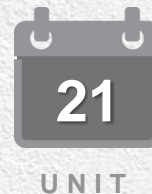
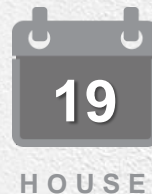
SALES AVERAGE DAYS ON MARKET Q3 2023



RENTAL MEDIAN PRICE Q3 2023

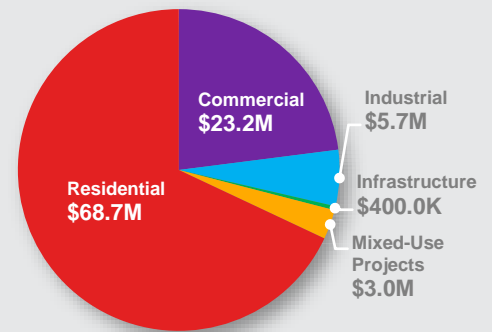


RENTAL AVERAGE DAYS ON MARKET Q3 2023



FUTURE DEVELOPMENTS

Hervey Bay and its surroundings is set to see approximately **\$101.0M** worth of new projects commencing in the 2nd half of 2023.



A focus on residential projects will replenish stock in Hervey Bay, answering current and future demand. This will create opportunities for first home buyers.

The Hervey Bay Boat Club (\$8.0M) is a key commercial project. The project will help to bring vibrance and create local jobs in Hervey Bay*.

A main residential project over the 2nd half of 2023 is the 141 Long Street Townhouses (\$18.0M). The project is set to add 60 townhouses to Hervey Bay*.

Other residential projects include:

- 364-398 Doolong South Road Subdivision (168 lots)
- 15 Charles Street Units (16 units)
- Madsen & Chapel Road Residential Subdivision (146 lots)



33 Units/
Apartments



92
Townhouses



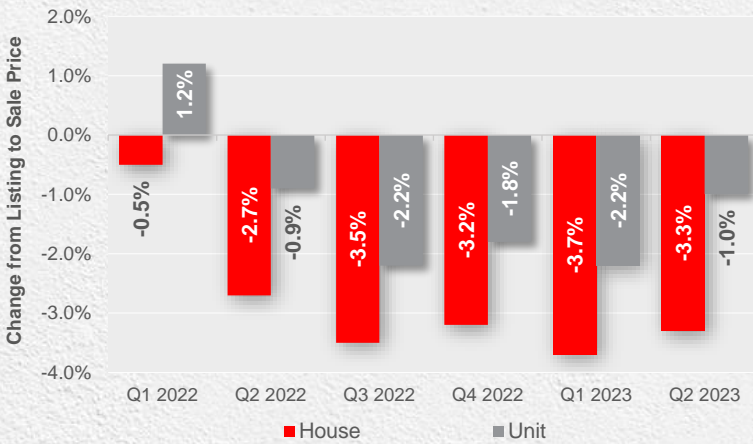
5
Dwellings



676 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.

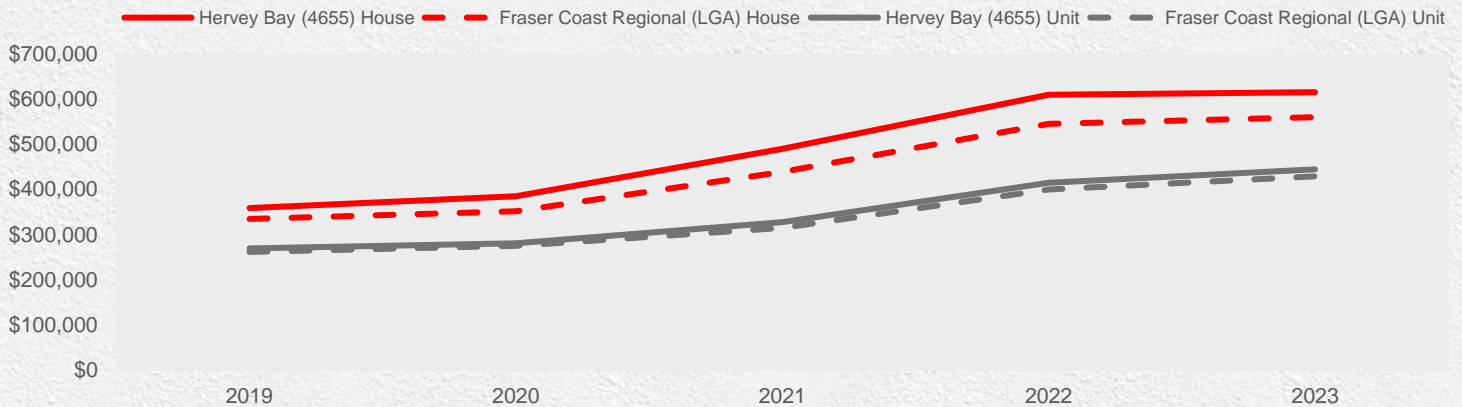


Average vendor discounts between Q3 2022 and Q3 2023 have continued in the same trajectory, at a higher discount of -3.3% for house and -1.0% for units. Market conditions still favour buyers, as vendors are willing to accept below the first list price. However, properties listed at, or close to market price, are met with huge demand and are selling within days of being listed.

The suburb of Hervey Bay has historically outperformed the wider Fraser Coast Regional Area (LGA) for houses and on par for unit median prices. 2023# saw this trend continue, even with a more stable house price.

The dominant proportion of homes sold in Hervey Bay across 2023 were in the most affordable price bracket of less than \$499,999 (34.5%). Units also recorded a dominant more affordable price bracket, of \$250,000 - \$349,999 (31.0%). Affordable options are increasingly available in the market. That said the premium market continues to be active, with 14.9% (house) and 13.0% (units) for sales in this price category.

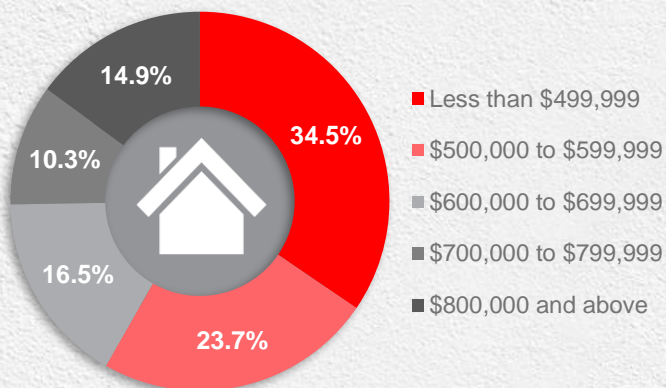
MARKET COMPARISON



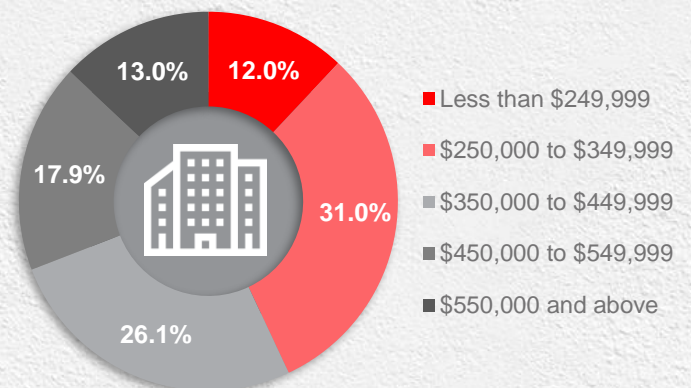
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Hervey Bay.

PRICE BREAKDOWN 2023

HOUSES SOLD



UNITS SOLD

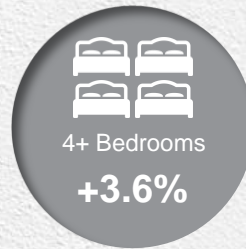
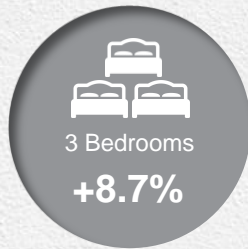


RENTAL GROWTH 2023

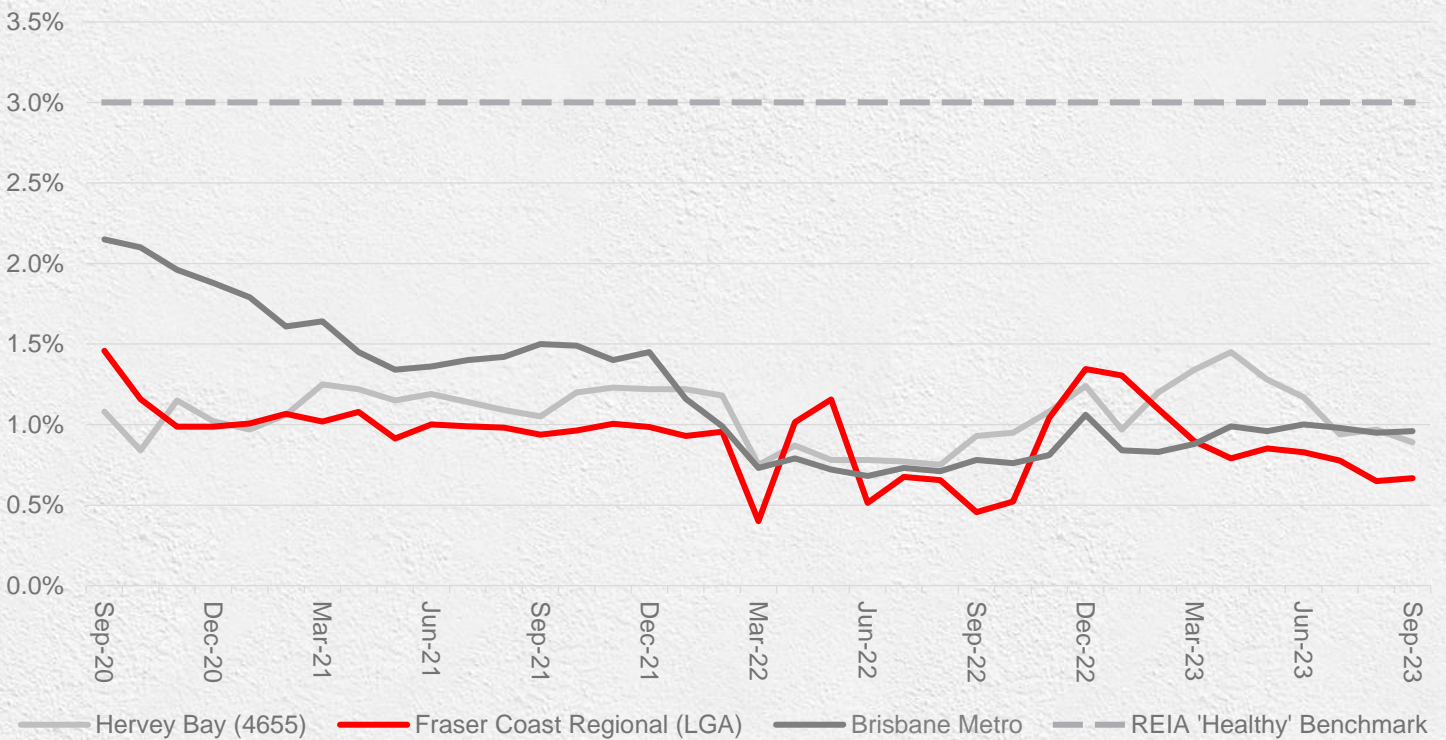
House rental yields in Hervey Bay[‡] was 4.1% in September 2023, on par with Fraser Coast LGA (4.2%) but much higher than Brisbane Metro (3.6%). This was paired with a median house rental price of 10.0% in the past 12 months to Q3 2023, to \$550 per week, and a 16.3% increase in the number of houses rented (to 363 houses). This suggest a highly demanded rental market, as rental prices continue to increase despite a higher number of properties rented.

3-bedroom houses have provided investors with +8.7% rental growth annually, achieving a median rent of \$500 per week.

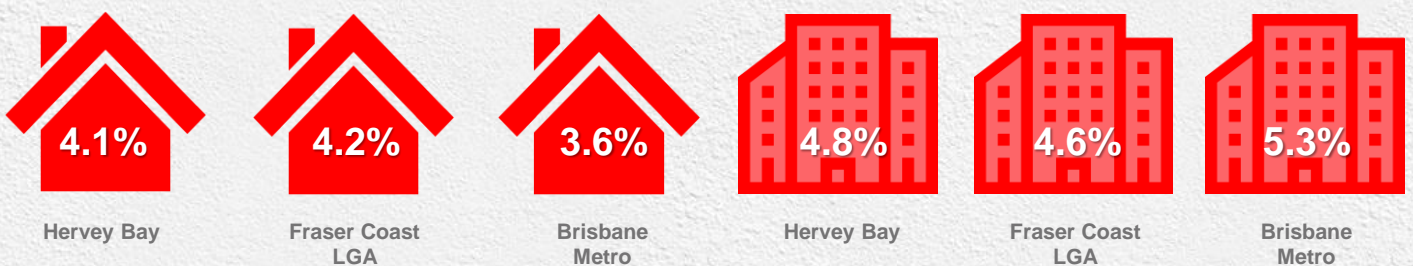
Hervey Bay[‡] recorded a vacancy rate of 0.9% in September 2023, slightly lower than Brisbane Metro's 1.0% average. Vacancy rates in Hervey Bay have fluctuated slightly over the past 12 months, however, have held relatively steady overall. This suggest a tight rental market and quicker occupancy of rental stock. These key indicators create a conducive and sustainable environment for investors, especially with a more affordable entry price in the past quarter (Q2 2023 – Q3 2023).



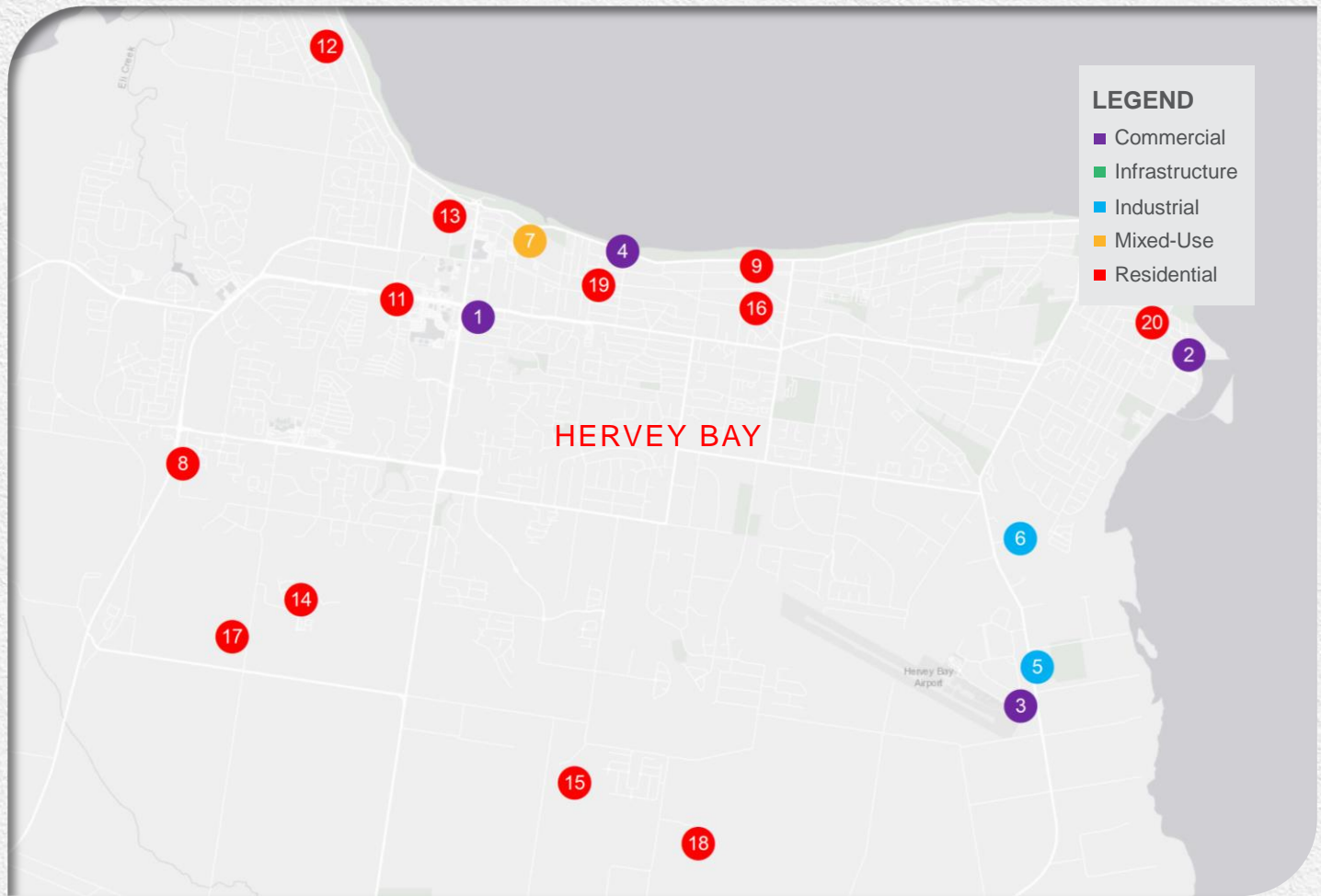
RENTAL VACANCY RATES 2023



RENTAL YIELD 2023[§]



TOP DEVELOPMENTS MAP 2nd HALF 2023^A



Location	Project [£]	Type	Estimated Value ^µ	Commence Date ^µ
1	Hervey Bay Homemaker Centre Conversion	Commercial	\$4,500,000	04/12/2023
2	Hervey Bay Boat Club	Commercial	\$8,000,000	27/11/2023
3	Hervey Bay Retail Block	Commercial	\$2,400,000	18/10/2023
4	Fraser Coast Council Scarness Beachfront Tourist Park Redevelopment	Commercial	\$6,000,000	24/07/2023
5	5 Southern Cross Circuit Warehouses	Industrial	\$2,500,000	30/10/2023
6	23-25 Driftwood Court Warehouse	Industrial	\$1,700,000	27/11/2023
7	72 Torquay Road & Hillyard Street Units & Office (6 Units)	Mixed-use	\$3,000,000	16/10/2023
8	34 Cooks Road Residential Subdivision (39 Lots)	Residential	\$1,750,000	12/12/2023
9	405 Esplanade Townhouses (6 Townhouses)	Residential	\$1,800,000	08/07/2023
10	563 Esplanade Townhouses & Villas (4 Townhouses, 5 Dwellings)	Residential	\$2,500,000	21/12/2023
11	115 Beach Road & Boat Harbour Drive Residential Subdivision Stages 1-5 (57 Lots)	Residential	\$2,600,000	15/12/2023
12	141 Long Street Townhouses (60 Townhouses)	Residential	\$18,000,000	18/12/2023
13	15 Charles Street Units (16 Units)	Residential	\$4,800,000	14/12/2023
14	Lot 2 Madsen Road Residential Subdivision (111 Lots)	Residential	\$5,000,000	06/12/2023
15	Doolong South & Hebblewhite Roads Residential Subdivision (127 Lots)	Residential	\$5,700,000	18/07/2023
16	254-262 Torquay Terrace Townhouses (20 Townhouses)	Residential	\$6,000,000	12/12/2023
17	Madsen & Chapel Roads Residential Subdivision Stages 1a-2c (146 Lots)	Residential	\$6,600,000	16/12/2023
18	364-398 Doolong South Road Residential Subdivision (168 Lots)	Residential	\$7,600,000	27/12/2023
19	111 Torquay Road Townhouses Scarness (8 Townhouses)	Residential	\$3,500,000	01/12/2023
20	7 Crescent Street Units (5 Units)	Residential	\$1,500,000	15/08/2023



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

* 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 Q1 to Q3 2023 (01/01/2023 – 30/09/2023) only.

€ Annual rental growth is a comparison between Q3 2022 (01/07/2022 – 30/09/2022) and Q3 2023 (01/07/2023 – 30/09/2023) median house rent figures.

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

§ Rental yields shown are as reported as of September 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.

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