



# Port Stephens Market Update 2<sup>nd</sup> Half 2023



## OVERVIEW

In Q3 2023, Port Stephens recorded a median house price of \$1,050,000, and a median unit price of \$645,000. This is an annual (Q3 2022 – Q3 2023) -2.6% softening for houses and growth of 7.5% for units. Sales increased between Q3 2022 – Q3 2023, by 12.9% (to 70 sales) for houses and by 50.0% for units (to 66 sales). A softer median house price downturn is evident even with more sales; thus, cash rate hikes have impacted the market. That said this is not as much as Sydney Metro, thus a resilient and stronger market. Buyers now have new opportunities, as median house prices are slightly more affordable.

	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

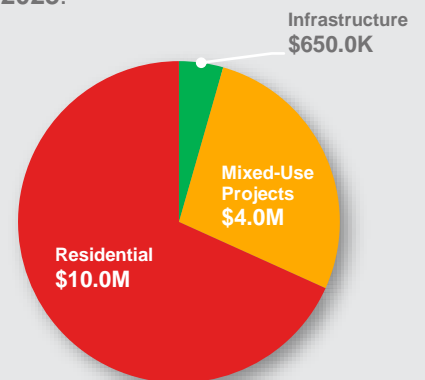


### RENTAL AVERAGE DAYS ON MARKET Q3 2023



## FUTURE DEVELOPMENTS

Port Stephens is set to see approximately **\$14.6M** worth of new projects commencing in the 2<sup>nd</sup> half of 2023.



A key focus on residential projects is ideal, due to high demand in the past 12 months. This will assist with replenishing stock and creating more opportunities for buyers. It will also assist with ensuring sustainable price growth, in good news for first home buyers.

The main residential development for the 2<sup>nd</sup> half of 2023 is the Government Road Apartments (\$2.1M), which is set to add 17 units/apartments to the area.

12 Bullecourt Street & Messines Street Mixed Use Development (\$4M) is the only mixed-use project planned, delivering 12 apartments.

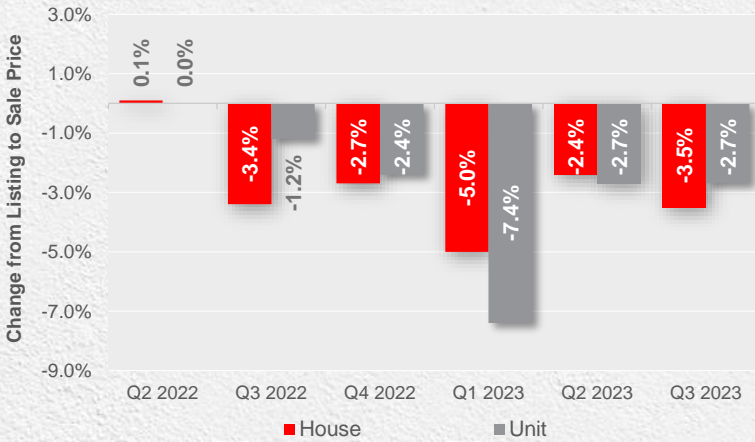
There are multiple projects that will add to housing stock, but only units and apartments. Stand-alone ready-to-sell houses are very few, thus houses will remain undersupplied, and prices continue to increase. Higher interest rates may slow down demand and allow for current stock to be absorbed, however this is not sustainable in the long run.





# 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.

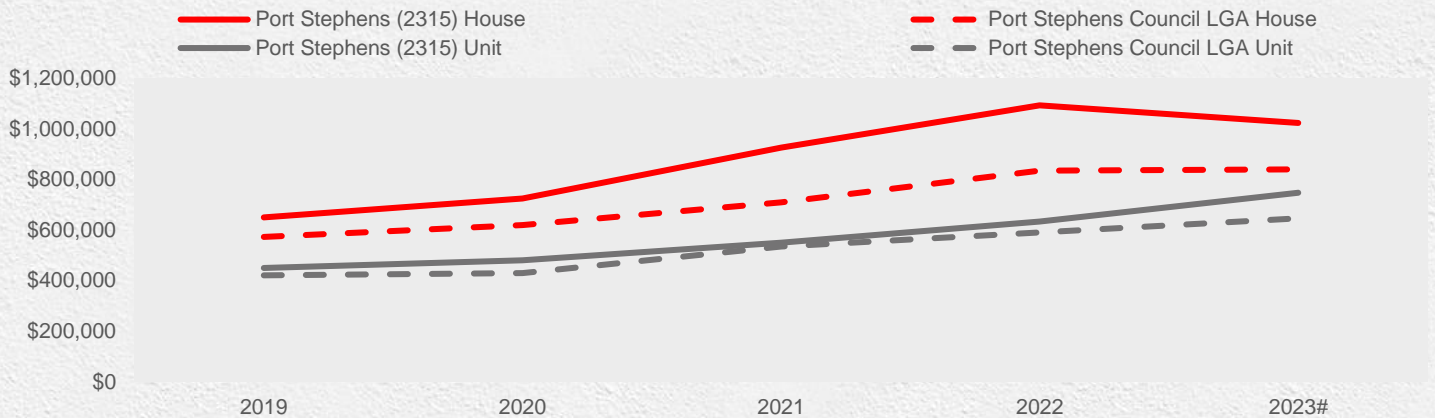


Average vendor discounts between Q3 2022 and Q3 2023 have been relatively stable for both property types, with current discounts of -3.5% for houses and -2.7% for units. Market conditions in Port Stephens continue to favour buyers, as vendors are willing to accept below the initial listing price. Now is the time to buy.

The suburb of Port Stephens has outperformed the wider Port Stephens Council (LGA) in house prices and trended on par in unit prices. 2023# saw this price trend continue in Port Stephens, even with slower growth in the house market.

The dominant proportion of homes sold in Port Stephens in 2023# were in the most affordable price point of less than \$849,000 (34%). Units also recorded a dominant most affordable price point of less than \$499,000 (27.2%). That said there is almost equal sales in both the premium and most affordable markets, thus catering for buyers with various budgets and creating an opportunity for both buyers and owners.

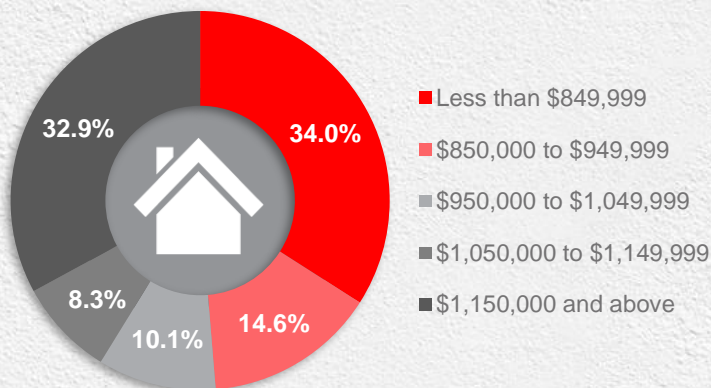
## MARKET COMPARISON



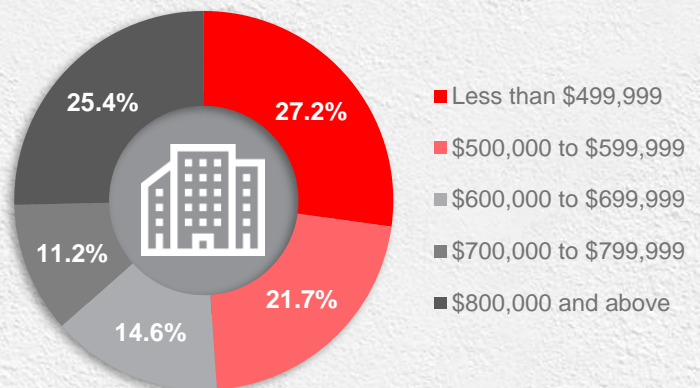
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Port Stephens.

## PRICE BREAKDOWN 2023#

### HOUSES SOLD



### UNITS SOLD



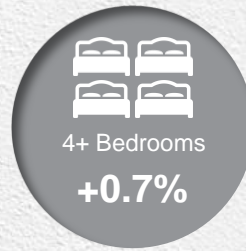
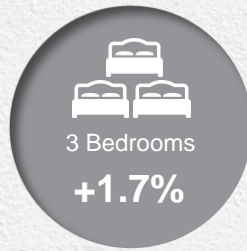


# RENTAL GROWTH 2023€

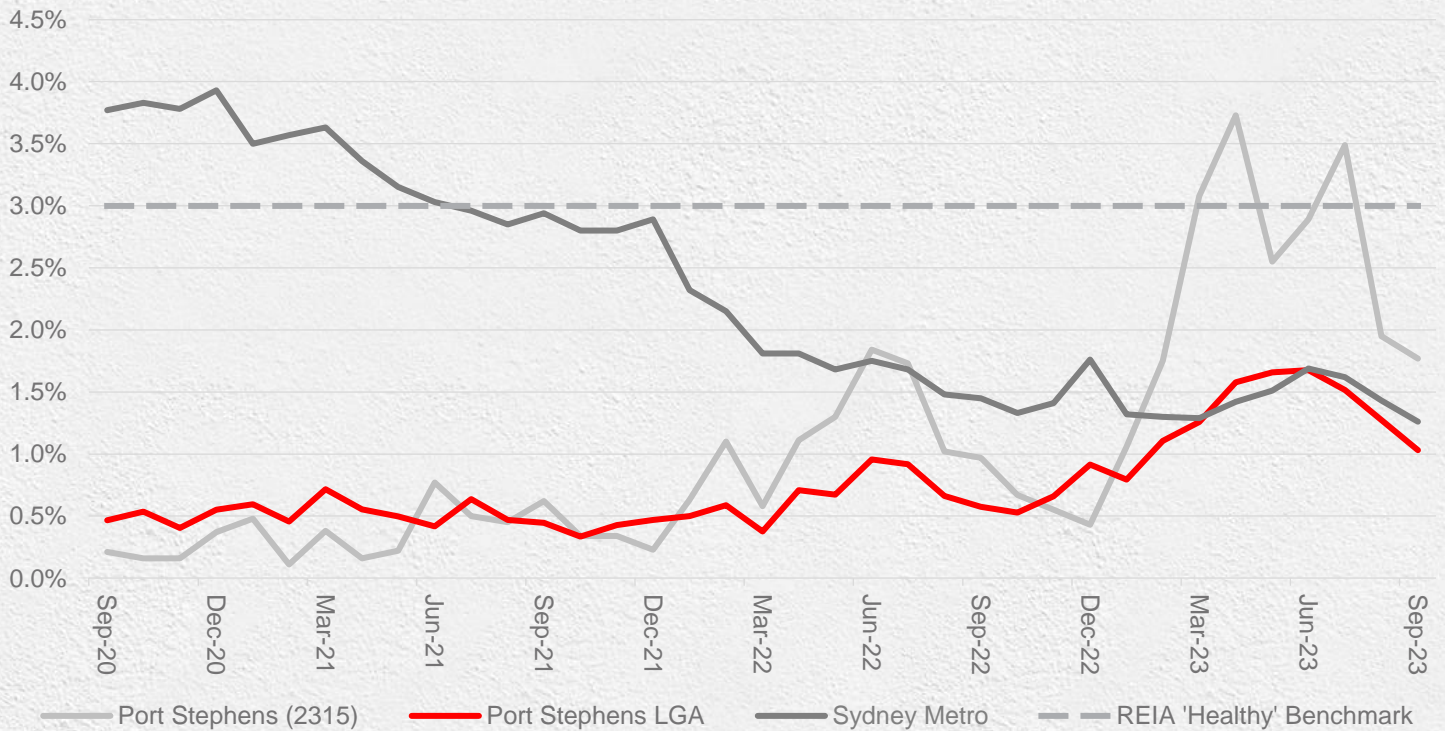
House rental yields in Port Stephens were recorded at 2.9% in September 2023, slightly above Sydney Metro (2.7%). That said in the 12 months to Q3 2023 median rental price slightly softened by -4.3% to sit at \$595 per week, alongside a -5.3% decrease (to 72 rentals) in the number of houses rented. This creates an opportune time for renters.

2-bedroom houses have provided investors with +11.1% rental growth annually, achieving a median rent of \$500 per week.

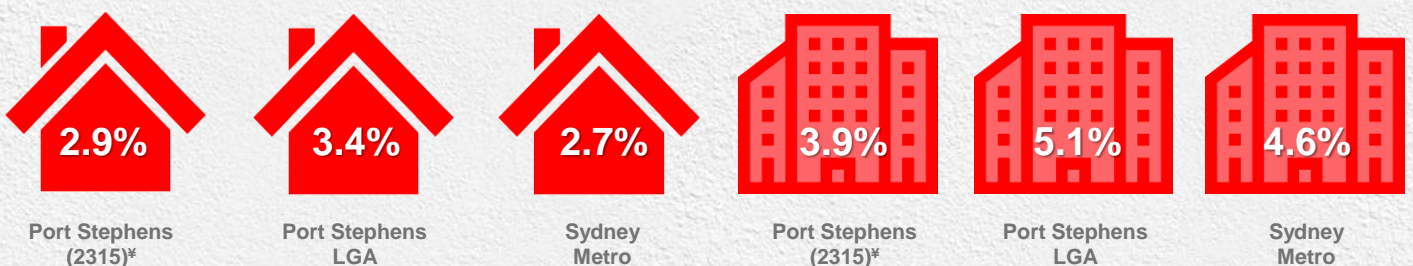
Port Stephens\* recorded a vacancy rate of 1.8% in September 2023, well above Sydney Metro's 1.3% average. Vacancy rates in Port Stephens\* have fluctuated over the past 12 months, spiking significantly due to investors re-entering the market in the face of a tight rental market prior. This indicates higher availability of rentals, which is good news for renters. In saying that vacancy rates are still well below Real Estate Institute of Australia's healthy benchmark of 3.0%, indicating quicker rental occupancy, thus still providing a conducive and sustainable investment condition for investors



# RENTAL VACANCY RATES 2023

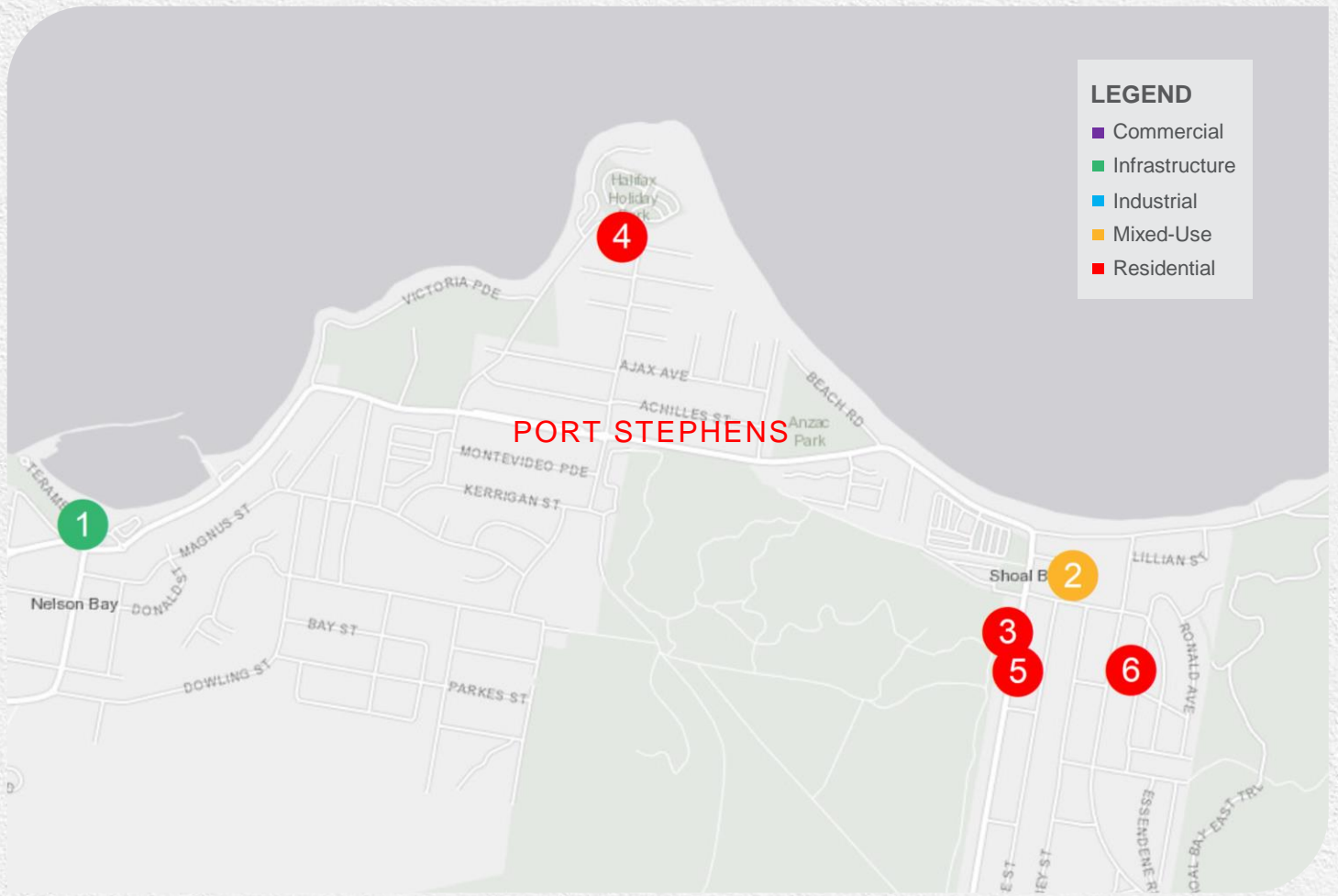


# RENTAL YIELD 2023\$





# TOP DEVELOPMENTS MAP 2<sup>nd</sup> HALF 2023<sup>Ⓐ</sup>



Location	Project <sup>£</sup>	Type	Estimated Value <sup>Ⓜ</sup>	Commence Date <sup>Ⓜ</sup>
1	Teramby Road Landslip Remediation	Infrastructure	\$650,000	23/10/2023
2	12 Bullecourt Street & Messines Street Mixed Use Development (12 apartments)	Mixed-use	\$4,000,000	07/12/2023
3	20 Government Road Apartments (17 apartments)	Residential	\$4,087,000	27/12/2023
4	6 Columbia Close Apartments (4 apartments)	Residential	\$2,800,000	04/12/2023
5	29 Government Road Units (4 units)	Residential	\$2,355,000	22/12/2023
6	Leonard Avenue Dwellings (5 dwellings)	Residential	\$750,000	10/08/2023

## 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

\* 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 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.

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

§ 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 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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