

Adamstown Market Update 1st Half 2024



OVERVIEW

In Q4 2023, Adamstown* recorded a median house price of \$1,222,500, and a median unit price of \$700,000. This represents annual (Q4 2022 – Q4 2023) growth of 11.6% for houses and a minor softening of -1.9% for units. On a quarterly basis (Q3 2023 – Q4 2023), median price increased by 16.2% for houses and 1.4% for units. Sales increased by 5.4% (to 98 sales) for houses and by 43.9% (to 82 sales) for units in the past 12 months to Q4 2023. Thus despite higher interest rates confidence has returned to Adamstown*, with properties in high demand. Now is the time for owners to act and capitalise on their investments.

CHANGE FROM LAST YEAR HALF YEAR



	YEAR	HALF YEAR
HOUSE SALES	↑	↑
HOUSE MEDIAN PRICE	↑	↑
HOUSE RENTAL PRICE	↑	↑

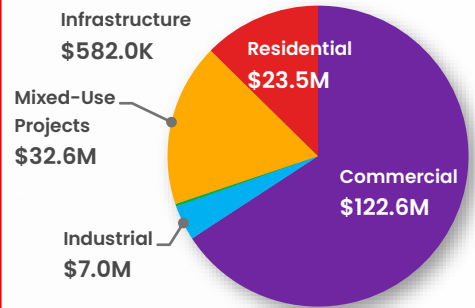


UNIT SALES	↑	↑
UNIT MEDIAN PRICE	↓	↓
UNIT RENTAL PRICE	↓	↓



FUTURE DEVELOPMENTS

Adamstown* will see approximately **\$186.3M of new projects due to commence construction in 2024.**



These projects will stimulate economic growth and create local job opportunities in Adamstown. This can have a spill-over impact on the real estate market, in the form of higher demand for houses.

A main commercial project in the 1st half of 2024 is Merewether Golf Club The Merewether (\$76.9M). The project is set to construct a 6 storey seniors living development to comprise 148 serviced self-care dwellings, wellness centre, and associated facilities.

Key residential projects include:

- 75 & 77 Northcott Drive (7 dwellings)
- 14 & 14A Bourke Street (8 Units)
- 196 Chatham Street (3 townhouses)

Most of the residential projects will deliver units. There is little new stand-alone houses planned. This is not enough to answer market demand, which will further push up prices.

129 Units/
Apartments

5
Townhouses

17
Dwellings



MARKET CONDITIONS

MEDIAN PRICE
Q4 2023

\$1.22M

SALES

\$700K

AVERAGE DAYS
ON MARKET Q4 2023

47
HOUSE

55
UNIT

MEDIAN PRICE
Q4 2023

\$670

RENTALS

\$550

AVERAGE DAYS
ON MARKET Q4 2023

17
HOUSE

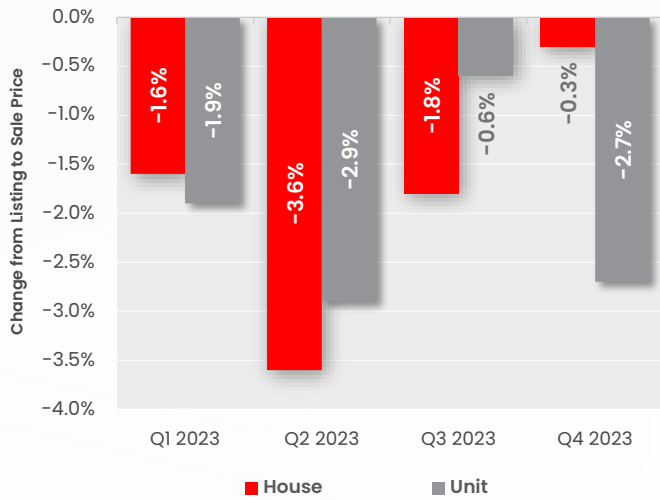
18
UNIT



AVERAGE VENDOR DISCOUNT*

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.

In the past 12 months to Q4 2023 average vendor discounts for houses have tightened to -0.3%, but widened to -2.7% for units. Market conditions in Adamstown* continue to favour buyers, however the peak of a discount period for both property types was in Q2 2023. Thus, buyers looking for a discount must act fast, especially in the housing market.

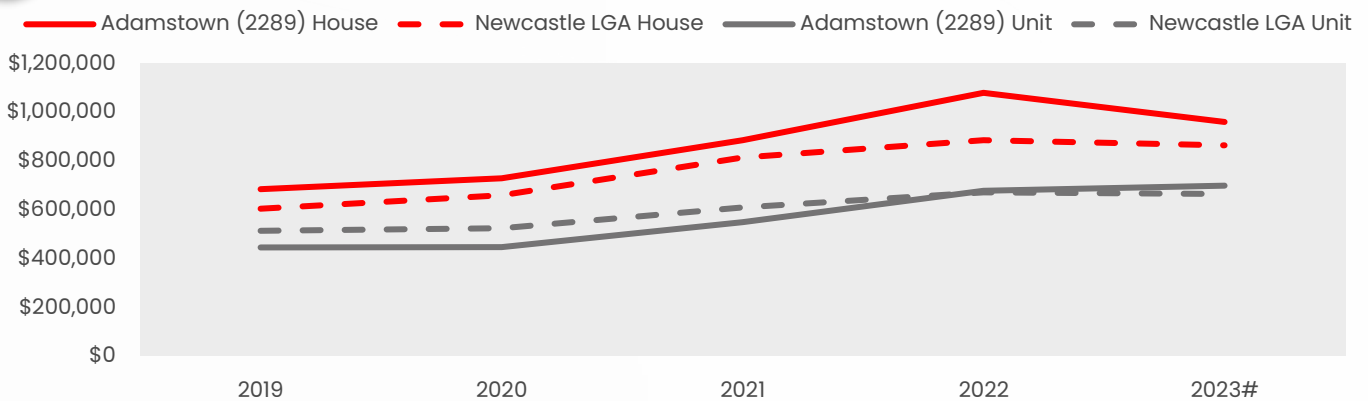


The suburb of Adamstown has outperformed the wider Newcastle Local Government Area (LGA) in house median prices for the past 5 years. 2023# saw the trend continue, even with a price softening in Adamstown- thus the suburb is still a premium market. Unit median swung to outperform the LGA's from early 2022 and continued across 2023.

The dominant proportion of homes sold in Adamstown* across 2023 were in the premium price bracket of above \$1,100,000 (54.9%). Units also recorded most sales in the premium market, of above \$800,000 (35.8%). The two most affordable price brackets are still available, more for houses at (16.6%) than units (9.7%); which is good news for first home buyers. That said this portion of the market is rapidly shrinking, thus buyers must act fast.



MARKET COMPARISON

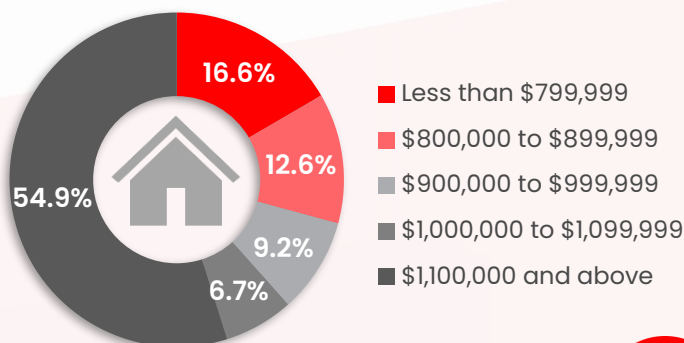


The market comparison graph provides a comparative trend for median price of houses and units over the past 5 years. The main LGA chosen was based on their proximity to the main suburb analysed, which is Adamstown.

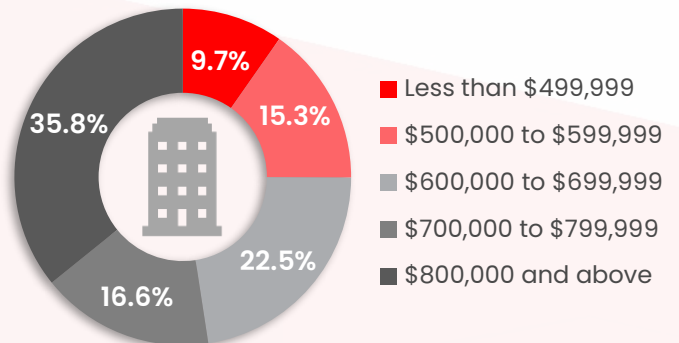


PRICE BREAKDOWN 2023#

HOUSES SOLD



UNITS SOLD





RENTAL GROWTH 2023€

House rental yields in Adamstown* was 3.0% as of December 2023, lower than the Newcastle LGA (3.5%) but higher than Sydney Metro (2.8%). This was paired with a 3.1% increase in median house rental price in the past 12 months to Q4 2023, at \$670 per week, and a 0.7% increase in the number of houses rented (to 151 houses). Average days on the market declined by -5.6% to a historical low of 17 days. This suggests a highly demanded rental market.

4+ bedroom houses recorded a +5.9% rental growth annually, at median rent of \$900 per week.

Adamstown* recorded a vacancy rate of 1.5% in December 2023, on par with Newcastle LGA's 1.5% and below Sydney Metro's 1.7% average. Vacancy rates in Adamstown* have fluctuated but on overall remained stable in the past 12 months, due to investors entering/exiting the market along with cash rate patterns. A 1.5% vacancy rate is below the Real Estate Institute of Australia's healthy benchmark, thus there is a quicker occupancy rate of rental properties in Adamstown. These key indicators create a conducive and sustainable environment for investors, despite the current increase in median sale prices of property across in the past 12 months to Q4 2023.

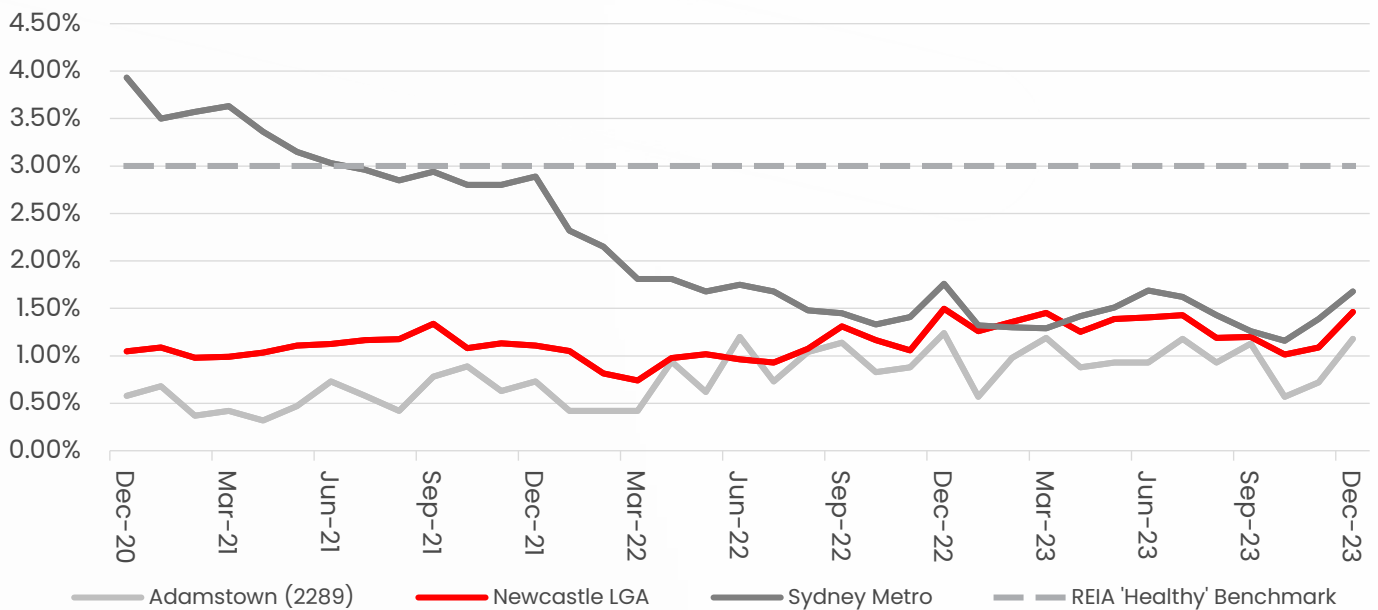
2 BEDROOMS
+0.9%

3 BEDROOMS
+4.6%

4 BEDROOMS
+5.9%



RENTAL VACANCY RATES 2023



RENTAL YIELD 2023§



3.0%

Adamstown*



3.5%

Newcastle LGA



2.8%

Sydney Metro



4.2%

Adamstown*



4.0%

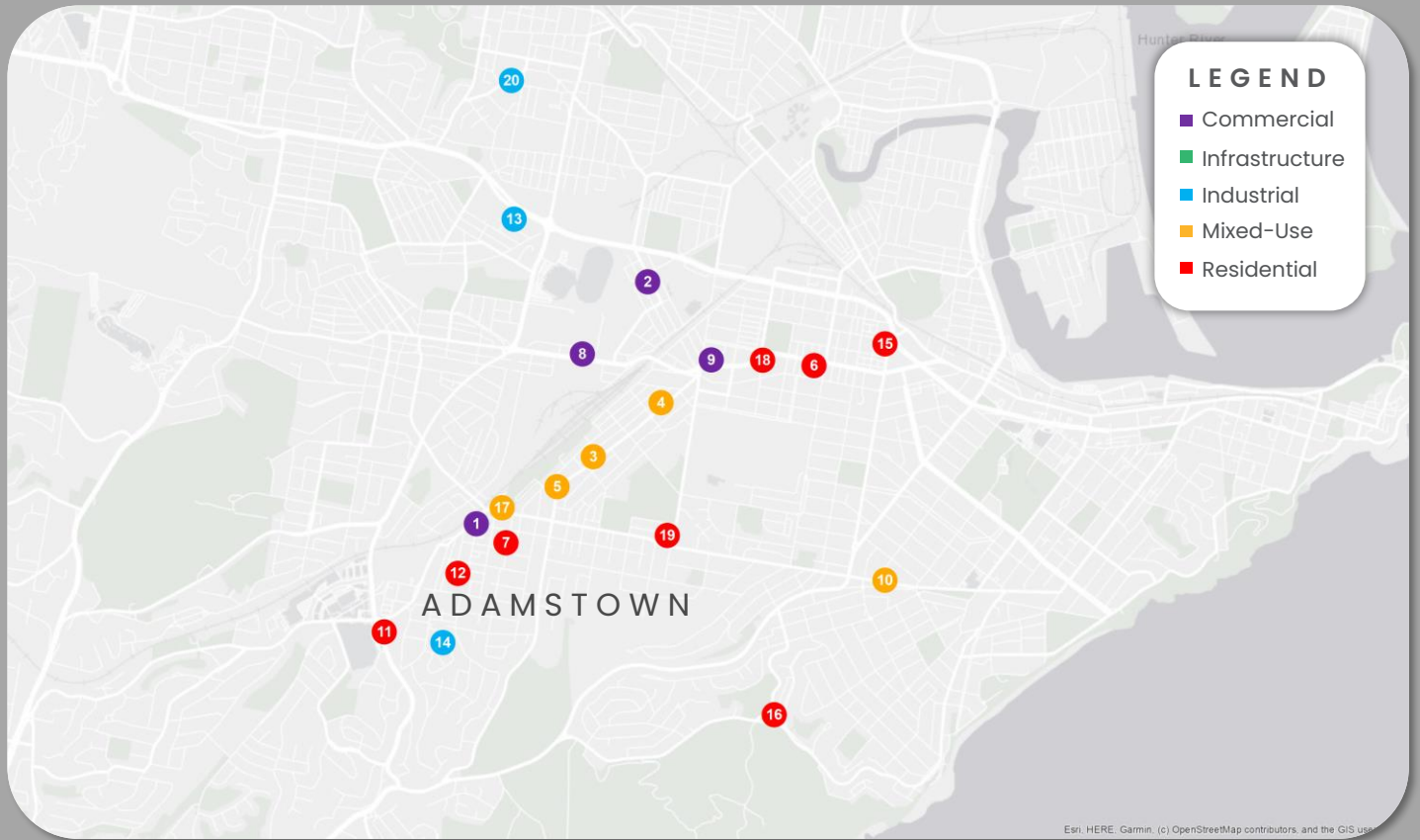
Newcastle LGA



4.5%

Sydney Metro

PROJECT DEVELOPMENT MAP 2024^A



Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community

#	Project [£]	Type	Estimated Value ^µ	Commence Date ^ψ
1	Merewether Golf Club The Merewether	Commercial	\$76,892,255	2024-11-04
2	Newcastle Jockey Club - New Stables Complex	Commercial	\$35,530,257	2024-12-15
3	144-148 Bruncker Road Mixed Use Development (Residential & Commercial)	Mixed-use	\$11,323,000	2024-10-23
4	42-46 Bruncker Road Units & Commercial (Residential & Commercial)	Mixed-use	\$9,843,567	2024-11-20
5	143-145 Teralba Road & 194 Bruncker Road Mixed Use Development (Residential & Commercial)	Mixed-use	\$7,000,000	2024-01-29
6	107 Tudor Street Units (6 Units)	Residential	\$6,090,000	2024-11-27
7	14 & 14A Bourke Street Units (8 Units)	Residential	\$4,063,400	2024-11-22
8	Animal Referral & Emergency Centre Broadmeadow Veterinary Hospital Conversion	Commercial	\$3,700,000	2024-12-13
9	92-94 & 96 Belford Street Serviced Apartments	Commercial	\$3,440,052	2024-12-16
10	190-192 Glebe Road Mixed Use Development (Residential & Commercial)	Mixed-use	\$2,700,000	2024-05-01
11	75 & 77 Northcott Drive Dwellings (7 Dwellings)	Residential	\$2,693,645	2024-10-12
12	25 & 27 Eighth Street Units (8 Units)	Residential	\$2,140,000	2024-10-04
13	37 Griffiths Road Industrial Units	Industrial	\$2,063,760	2024-10-16
14	120 Garden Grove Parade Storage Units & Light Industrial Units	Industrial	\$2,060,292	2024-10-18
15	18 - 20 Gordon Avenue Apartments (12 Apartments)	Residential	\$1,912,000	2024-09-25
16	63 Yule Road Dwellings (3 Dwellings)	Residential	\$1,870,880	2024-09-24
17	654 Glebe Road Units & Commercial (Residential & Commercial)	Mixed-use	\$1,777,349	2024-09-06
18	9 Belford Street Dwellings Alterations & Additions (6 Dwellings)	Residential	\$1,695,000	2024-08-05
19	196 Chatham Street Townhouses Stages 1-3 (3 Townhouses)	Residential	\$1,688,830	2024-12-13
20	85-89 Griffiths Road Industrial Units	Industrial	\$1,665,000	2024-10-10

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REFERENCES

* Adamstown market data and key indicators encapsulates aggregate property market conditions within the suburbs of Adamstown, Broadmeadow, Hamilton, Merewether and Lambton.

** 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 2023 (01/01/2023 – 31/12/2023).

€ Annual rental growth is a comparison between Q4 2022 (01/10/2022 – 31/12/2022) and Q4 2023 (01/10/2023 – 31/12/2023) house median rent figures.

¥ Adamstown rental market data encapsulates aggregate property conditions within the suburbs of Adamstown, Broadmeadow, Hamilton, Merewether and Lambton.

§ Rental yields shown are as reported as of December 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 Adamstown, Broadmeadow, Hamilton, Merewether and Lambton.

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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