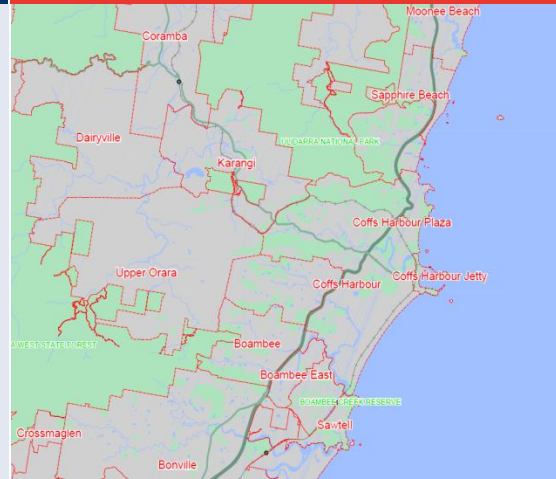


Coffs Harbour Regional Map

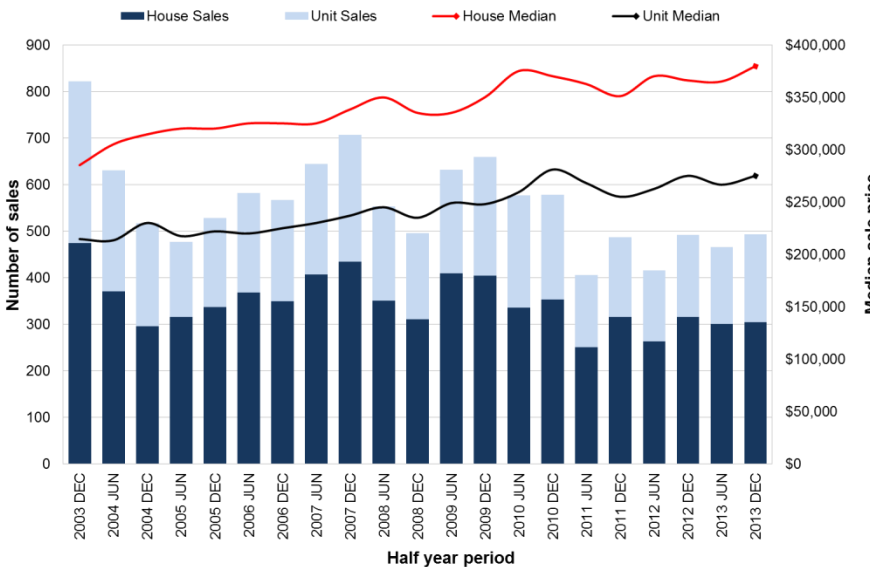


This following Property Watch report analyses the trends and performance of the Coffs Harbour residential market, as highlighted in the adjacent *Coffs Harbour Locality Map*. The study area focuses on the suburban areas of Coffs Harbour as it will provide the most accurate information for units and single family dwellings while separating from income generating rural properties.

Situated approximately 531 kilometers north-east of the Sydney CBD and 394 kilometers south of the Brisbane CBD, Coffs Harbour is a nationally recognised as a civic and tourism hub for the NSW north coast. The Pacific Motorway acts as the main access point to surrounding regions however a regional airport provides the easiest access to capital cities.

This Property Watch report will aim to further highlight the regions characteristics, analyse the market and forecast where the Coffs Harbour residential property market is heading.

Coffs Harbour House & Unit Sales Cycle



The Coffs Harbour housing market registered a total of 641 transactions in the annual period to December 2013 which represents a 10.8 per cent increase over the previous year. Median prices have also shown an increase of 3.7 per cent over the same period. This growth is part of a relatively continuous pattern that has occurred since 2003.

Units have remained flat over the past few years when compared to houses which is due to an spike in 2010. Over the past 10 years however growth has been bullish with average rise of 2.8 per cent per annum.

Historically the unit market has trended roughly similar to the housing market in the long term. When considering infrastructure investment and demographic growth both dwelling types should provide positive returns.

“COFFS HARBOUR’S TREND OF STABILITY & GROWTH IS EXPECTED FOR 2014 AND BEYOND”

- Harrison Hall, PRD research analyst



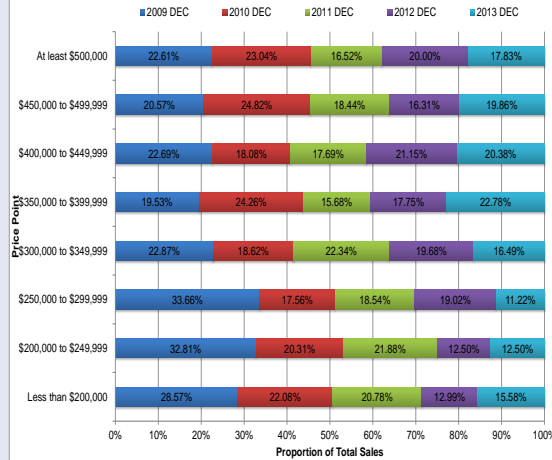
Coffs Harbour Coastline

The Coffs Harbour price point chart indicates the shifts in house prices across the area. Overall there has been a trend towards the middle of the market as the area continues as an economic hub for the region. The majority of the population is looking for a mix of affordability and lifestyle and the middle of the Coffs Harbour market offers just that.

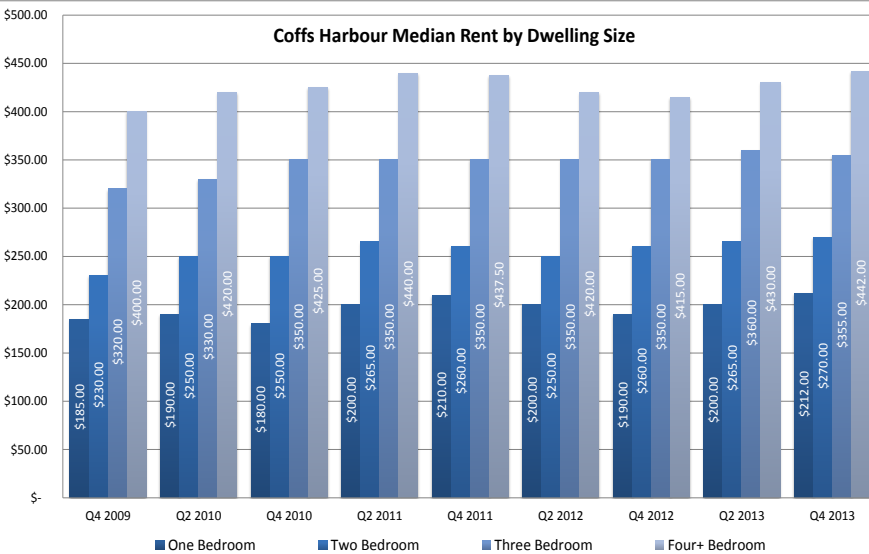
The price point that dropped the most in activity is the \$250,000 to \$299,000 range which dropped 22.5 per cent since 2009. The below \$250,000 range also recorded significant drops. It is believed this is predominately due to investors who have identified the low entry price and potential for high returns and the continued popularity of the mid range market from owner occupiers.

Interestingly the \$300,000 and above range has trended on a pattern of relative stability. The price point that has increased the most since 2009 is the \$350,000 to \$399,000 which is a flow on effect from the recent decline in the sub \$300,000 range.

Coffs Harbour House Price Points



Coffs Harbour Rental Analysis



BASED ON UNITS & SINGLE FAMILY DWELLINGS (NSW DEPARTMENT OF HOUSING)

The metro Coffs Harbour rental market has recorded reasonable growth over the past four years. At the close of the December 2013 rental period, median unit and house rents had registered average weekly return of \$320 per week which represents an increase of 1.9 per cent over the previous year and a healthy 12.6 per cent since 2009.

The strongest performer in the market has been two bedroom dwellings market which rose 17.4 per cent since 2009 which was closely followed by one bedrooms which rose 14.6 per cent. The growth in rental income in smaller dwellings can be attributed to a strong investor market. Other markets experienced growth of around 10 per cent.

As at the December 2013 average yield sat at 5.8 per cent which is a strong result.

Infrastructure Pipeline

Although the facilities in Coffs Harbour are already sufficient to fuel continual economic growth there is \$1.15 billion in the development pipeline. Some of the biggest investments are from the government who are injecting \$400 million into a Pacific Highway upgrade to connect surrounding townships to Coffs Harbour. For long term job growth there is a \$56 million dollar justice precinct which has just been approved.

A significant amount of private investment is also occurring the area with new land subdivisions and apartments buildings introducing a suitable level of new stock. Retail investment is also prevalent with upgrades to the main shopping centre and two new full sized hardware stores planned. The health industry will also receive a boost with new medical and aged care facilities expected.

