

PORT MACQUARIE

Property Watch®

PRD nationwide



MARKET INDICATORS

Change from Last	Year	Half Year
HOUSE SALES	↓	↑
HOUSE MEDIAN	↑	↑
HOUSE RENTS	↑	↑
UNIT SALES	↑	↑
UNIT MEDIAN	↓	↓
UNIT RENTS	↑	↔

The indicators depicted above are based on the year ending July 2013. Rental indicators are based on 12 months to June 2013.

KEY HIGHLIGHTS

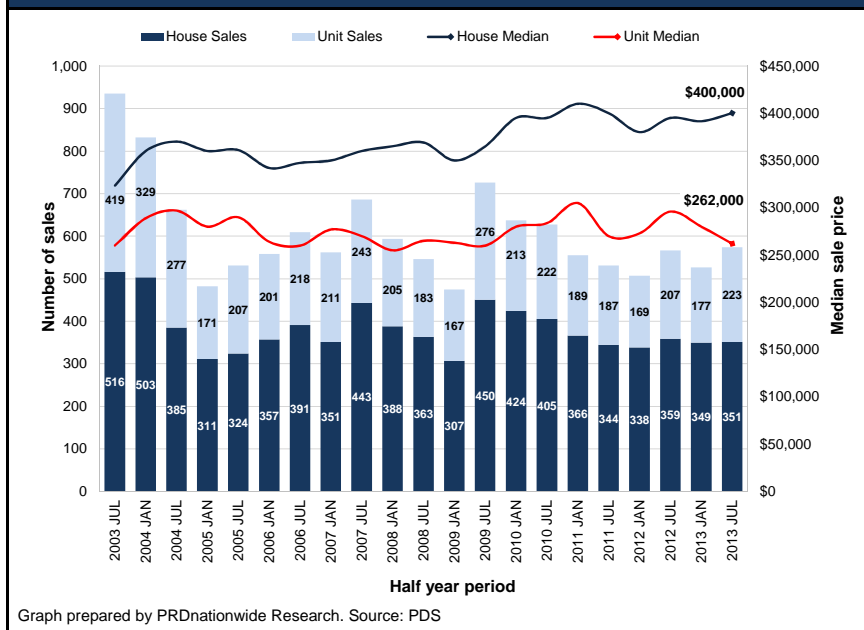
- Well-priced properties were often sold within 10 days; greater demand has not yet put upward pressure on prices.
- The median price of a house increased by 1.3% in the 12 months to July, while the middle price of a unit softened.
- Port Macquarie's vacant land market has continued to recover, with 123 lot transactions in the 12 months to July and a rise in median lot price.

MARKET OVERVIEW

This report investigates the house, unit and vacant land markets of Port Macquarie. Since the beginning of 2013 the market's upswing has absorbed much of the excess stock that was lingering on the market in the past two years. Well-priced properties were often sold within 10 days, with 28 per cent of stock remaining on the market for a period of 30 days or less. This has not yet put upward pressure on prices, giving sellers time to search for new accommodation. The land market recorded stable activity over the past 12 months and a small median lot price increase.

The Sales Cycle graph pointed to stable house activity since July 2011 despite a small decline between the six months to July 2013 and the corresponding period in 2012. The median house climbed by 1.3 per cent in the 12 months to July which culminated in a 5.3 per cent rise from July 2011. Unit sales have improved from July 2012 and were now similar to the July 2010 activity. The rise in unit activity failed to support price growth, with a 11.5 per cent decline in the median unit price over the 12-month period.

PORT MACQUARIE HOUSE AND UNIT SALES CYCLE



The level of houses on the market fell markedly since March 2013 while units recorded only a marginal decline in stock. Well priced stock was often sold within 10 days. With that said, half (50 per cent) of dwellings for sale in September 2013 remained on the market for a period of 120 days plus. Encouragingly, more than one quarter (28 per cent) of houses and units were advertised for a period of 30 days or less.

Enquiries came from locals and from interstate buyers who looked at moving to the area in the short to medium term. Local upgrader and downsizer activity signalled market strength, as residents who were out of the market in the past four years are now actively seeking new accommodation. Price stability allowed sellers who exited the market time to secure a new dwelling.

HOUSE PRICE POINTS

SIX MONTHS TO JULY 2013

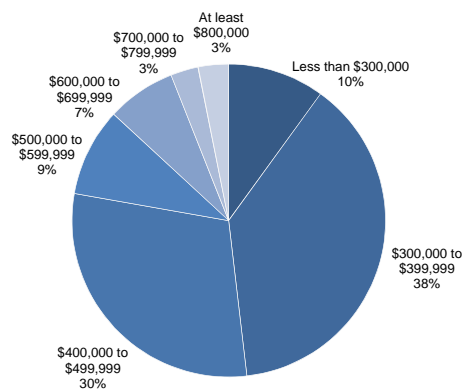


Chart prepared by PRDnationwide Research. Source: PDS

Residents who were out of the **market** in the past four years are now **actively** seeking **new accommodation**

UNIT PRICE POINTS

SIX MONTHS TO JULY 2013

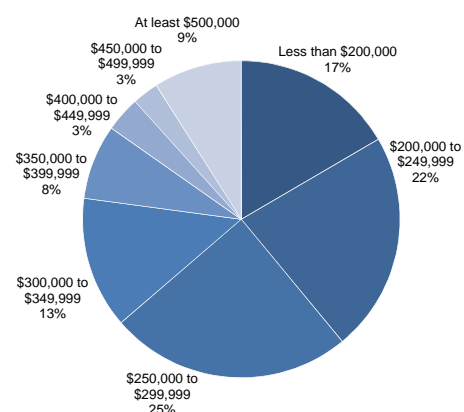


Chart prepared by PRDnationwide Research. Source: PDS

The House Price Point chart showed decline in house sales under \$300,000 and the expansion of the \$400,000 to \$499,999 price point, while the share of sales toward the top end of the market softened. The price distribution within the unit market was less even, with the share of units priced under \$300,000 increasing by 34 per cent between July 2012 and July 2013. This, together with softening in middle and top end price points resulted in a sharp decline in the median unit price over the period. Investors targeted high yielding units toward the bottom end, which included the purchase of the Oasis Apartment complex by an investor syndicate. The Beach Park complex and number 20-22 Mort Street also recorded high transaction numbers over the past two years.

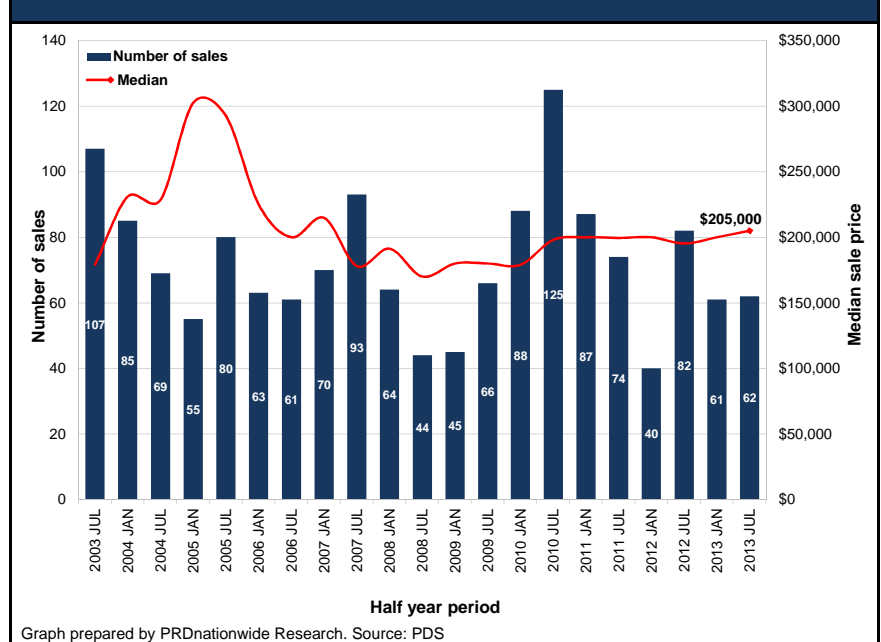
The investment market

Despite a strong sales activity, the Port Macquarie investment market remained steady, as seen by a low rental vacancy rate (1.9 per cent in August) and a steady or rising median rent price. The median rent for a three-bedroom house closed the June quarter at \$360 per week, representing a 12-month rise of 5.9 per cent. For the same period the median rent of a two-bedroom unit increased by 2.0 per cent to \$250 per week. Recent evidence points to a small decline since June, as a number of tenants became owner occupiers and vacated their rental premises. Demand from students attending the Charles Sturt University has also stabilised for now. Investor activity is expected to resume in 2014 once earthworks commence for the university's permanent campus on Major Innes Road in 2014.

The vacant land market

Port Macquarie's vacant land market has continued to recover, with 62 lots transacting in the six months to July 2012. The result equated to an annual sales figure of 123 lots, overtaking the 2012 result by one transaction. The median lot sold for \$205,000 in July, representing a five per cent increase from the same period in 2012. The North Harbour estate recorded 16 per cent of sales, while the Innes Lake area accounted for 15 per cent.

PORT MACQUARIE VACANT LAND SALES CYCLE



Graph prepared by PRDnationwide Research. Source: PDS

A growing buyer base attracted to the city's affordability is stimulating new residential and commercial investment in Port Macquarie and is likely to support future increase in house and unit prices.

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This report was prepared by PRDnationwide Research. Source: PDS, Housing NSW, RP Data, SQM.

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