

# 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 January 2013. Rental indicators are based on 12 months to December 2012.

### KEY HIGHLIGHTS

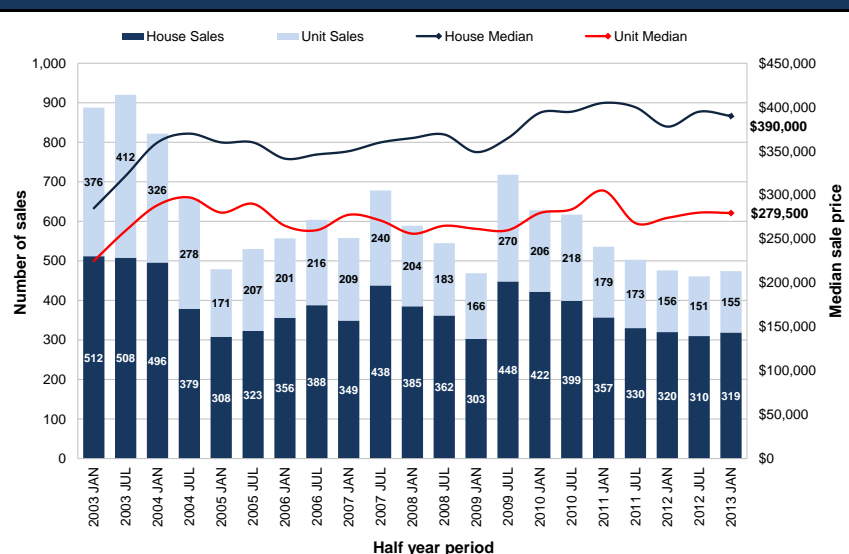
- The median price for a house climbed by 3.2 per cent while that of a unit increased by two per cent over the 12 month period to January 2013.
- Most enquiries came from second home buyers who reinvested equity gained from the sale of their first home.
- A new CSU campus brought an influx of students to the area, increasing demand for low-end rental accommodation.

### MARKET OVERVIEW

This report is the result of an investigation into the house, unit and vacant land markets of Port Macquarie. Properties put on the market in the spring selling season have been mostly absorbed, with a notable increase in activity in the first quarter of 2013 amid a decline in the number of properties on the market. While the vacant land market exhibited early signs of recovery, while the rental market firmed over 2012 with an increase in rent prices for houses and units.

The House and Unit Sales Cycle graph pointed to a market low in July 2012, with stronger results in the January 2013 half year. The January period registered similar activity the corresponding period in 2012, amid a rise in median price for attached and detached dwellings. The median house climbed by 3.2 per cent and the median unit increasing by two per cent over the 12 month period to January.

### PORT MACQUARIE HOUSE & UNIT SALES CYCLE



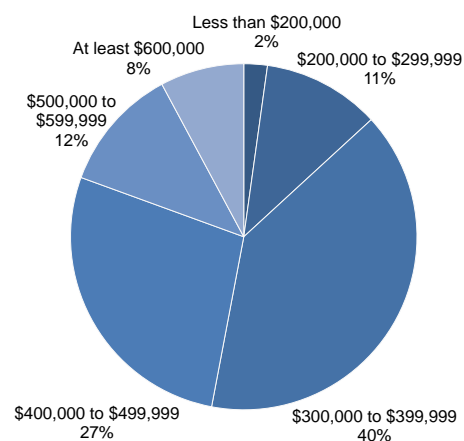
Graph prepared by PRDnationwide Research. Source: PDS

The 12 month growth in median house price stemmed from an increase in the number of sales above \$400,000. Observing the House Price Point chart suggested decline in house sales below \$400,000 and the expansion of the \$400,000 to \$499,999 price point, while the share of sales toward the top of the market remained unchanged. The unit price points remained in line with the 2012 figures, with the exception of the top end, where five additional sales were recorded in the \$600,000 plus bracket.

Most enquiries came from second home buyers who reinvested equity gained from the sale of their first home. Long selling periods, common in the Port Macquarie market, forced a number of properties off the market, with some tuning into rental properties. Invigorated with new capital, upgraders were able to secure these properties. Interest in newly built product was scarce, although villa developments in Toorak Court and on Ocean Drive have sold well through 2012.

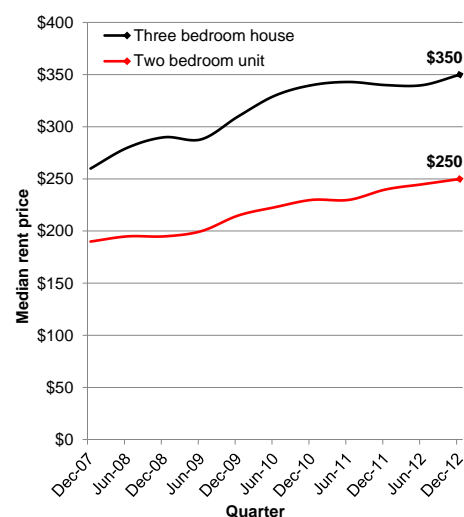
## HOUSE PRICE POINTS

SIX MONTHS TO JAN 2013



Graph prepared by PRDNationwide Research. Source: PDS

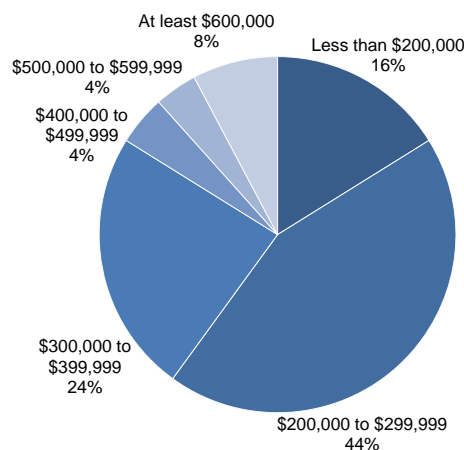
## RENTAL PRICE GROWTH



Graph prepared by PRDNationwide Research. Source: Housing NSW

## UNIT PRICE POINTS

SIX MONTHS TO JAN 2013



Graph prepared by PRDNationwide Research. Source: PDS

## The investment market

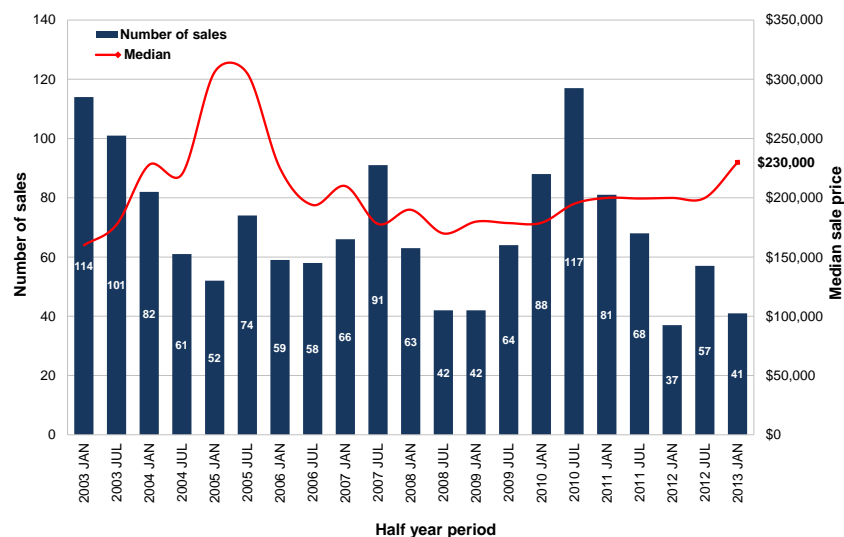
A new Charles Sturt University (CSU) campus on Grant Street opened in May 2012, bringing an influx of students to the area, many of whom were seeking accommodation toward the lower end of the market. Parental signature was often required to secure the lease for students, with parents seeking smaller dwellings that could not be easily shared. This trend increased the competition for one and two bedroom apartments near the CBD, keeping vacancy rates below two per cent and supporting rent prices. In the 12 months to December the median rent price for a two bedroom apartment in Port Macquarie increased by 4.2 per cent to \$250 per week. For the same period the median rent for a one bedroom dwelling closed at \$190 per week, representing a 12 months growth of 8.6 per cent. The median rent of a house firmed to \$350 per week over the period.

Gross yields for one and two bedroom units below \$300,000 ranged from 5.6 per cent for a two-bedroom unit on Bridge Street to seven per cent for an apartment on Waugh Street. With a growing number of courses offered by CSU and the closure of the Port Gateway Caravan Park, demand for lower end rental accommodation is likely to continue in the near term. It is anticipated that the strong rents achieved in this market will stimulate investor activity over the next 12 months.

## The vacant land market

The vacant land market in Port Macquarie has shown early signs of recovery, with 41 lots transacting in the six months to January 2012. The results were encouraging given a fall in activity from the July 2010 peak. The North Harbour and Innes Lake areas recorded the highest number of transactions, while lot sizes ranged from 358 square metres in The Point Drive to 1,031 square metres in Flynn Street.

### PORT MACQUARIE VACANT LAND SALES CYCLE



Graph prepared by PRDNationwide Research. Source: PDS

The Port Macquarie property market appears to have stabilised after a three year decline in activity. Low interest rates and a firm rental market are both expected to increase enquiry from investors in the short term. However, at least six months are required to confirm a recovery in the vacant land market.