





LAKE MACQUARIE MARKET UPDATE 2nd Half 2019



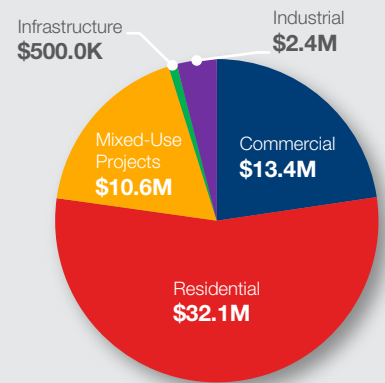
OVERVIEW

In Q3 2019, Lake Macquarie* recorded a median house price of \$640,000, and a median unit price of \$482,500. This represents annual (Q3 2018 – Q3 2019) median price softening of -1.7% for houses and growth of 6.0% for units. At the same time total house sales slightly slowed, by -1.7% (to 172 sales), while units increased by 34.2% (to 80 sales). Now is an ideal time to transact as there is a strong unit market and more affordable houses for first time home buyers.

	CHANGE FROM LAST	YEAR	HALF YEAR
 House Sales		↓	↑
House Median Price		↓	↑
House Rental Price		↑	↑
 Unit Sales		↑	↑
Unit Median Price		↑	↑
Unit Rental Price		↑	↑

FUTURE DEVELOPMENTS

Lake Macquarie* is set to see approx. **\$58.9M worth of new projects commencing in the 2nd half of 2019.**



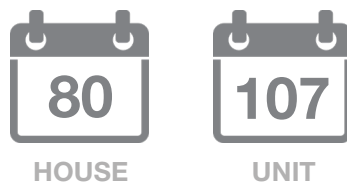
Activity across multiple sectors will help to stimulate economic growth, generate employment opportunities, and create new housing stock for a growing population in Lake Macquarie*. Together this strategy is expected to have positive spill-over impact on the market.

MARKET CONDITIONS

SALES MEDIAN PRICE Q3 2019



SALES AVERAGE DAYS ON MARKET Q3 2019



RENTAL MEDIAN PRICE Q3 2019



RENTAL AVERAGE DAYS ON MARKET Q3 2019



A key commercial project for the 2nd half of 2019 is Calvary St Francis Retirement Village (\$6.2M), which will create an additional 17 rooms in two wings, and a community centre. The King Street Mixed-use development (\$4.9M) will create 12 units and a medical centre, to be spread across 3 levels.

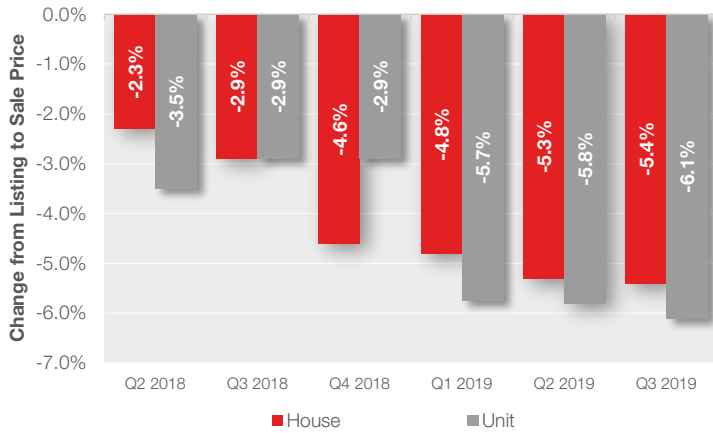


*Lake Macquarie market data and key indicators encapsulates aggregate property market conditions within the suburbs Warners Bay, Speers Point, Eleebana, Valentine, Cameron Park and Charlestown.**Estimated values are based on construction value provided by the relevant data authority and does not reflect commercial and/or re-sale value.

Source: APM Pricefinder, Cordell Connect database. © Copyright PRDnationwide 2019.

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.



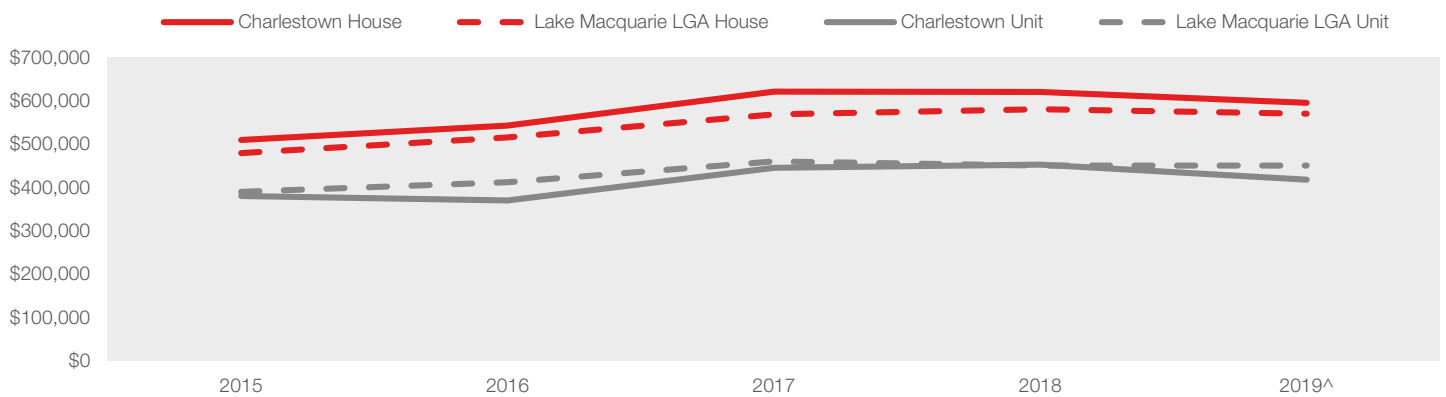
KEY COMMENTS

Average vendor discount between Q3 2018 and Q3 2019 has widened for both property types, to -5.4% for houses and -6.1% for units. Market conditions in Lake Macquarie* favour buyers even further, where sellers are willing to negotiate much lower than their initial listing price.

The suburb of Charlestown has historically outperformed the wider Lake Macquarie Local Government Area (LGA) in its median house price, and this continues to be the case in 2019[^]. The unit market in Charlestown is more affordable than the LGA in 2019[^], good news for those wanting to enter the local market.

The dominant proportion of houses sold in Lake Macquarie* across 2019[^] were priced at a mid-range segment of \$600,000-\$700,000 (28.7%). Units recorded a dominant upper-end price point of \$550,000+ (26.8%) over the same period. Property is available at a range of price points, which should encourage buyers to become active.

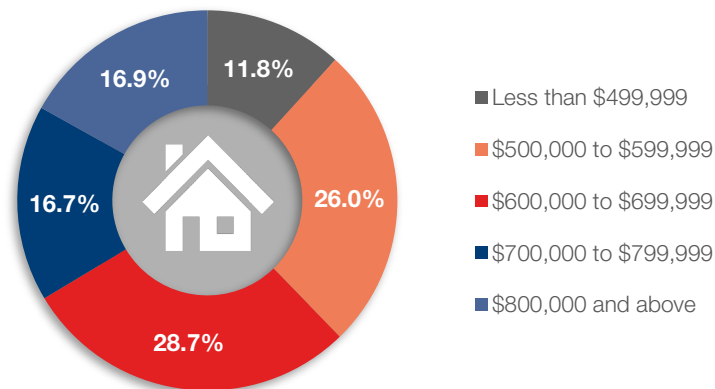
MARKET COMPARISON



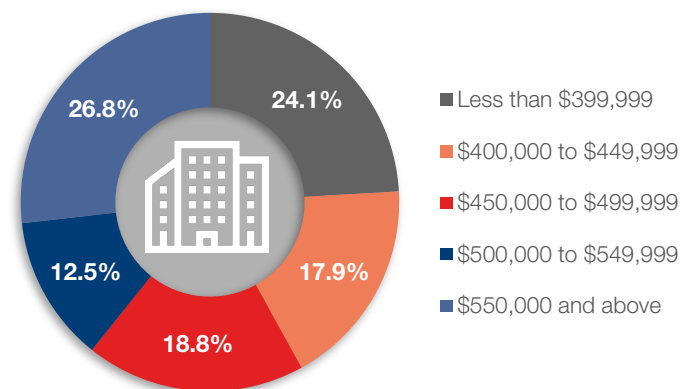
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled were chosen based on their proximity to the main suburb analysed, which is Charlestown.

PRICE BREAKDOWN 2019[^]

HOUSES SOLD



UNITS SOLD



RENTAL GROWTH 2019*

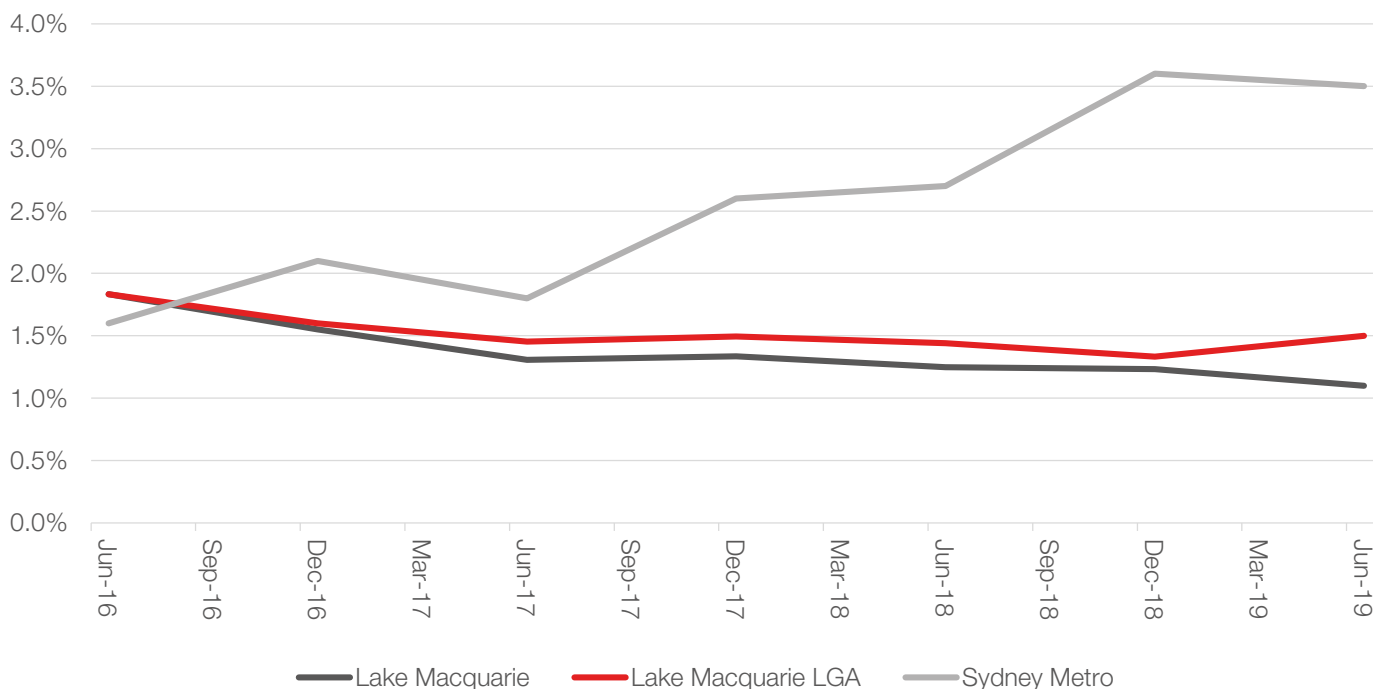
Over the past 12 months, house rental yields in Lake Macquarie* have remained stable, at 3.8% in June 2019. By comparison, Sydney Metro achieved just a 2.8% house rental yield during the same time frame, suggesting investors have the potential to gain higher returns in the Lake Macquarie* rental market.

4+ bedroom houses have provided investors with +3.8% rental growth annually, achieving a median rent of \$540 per week.

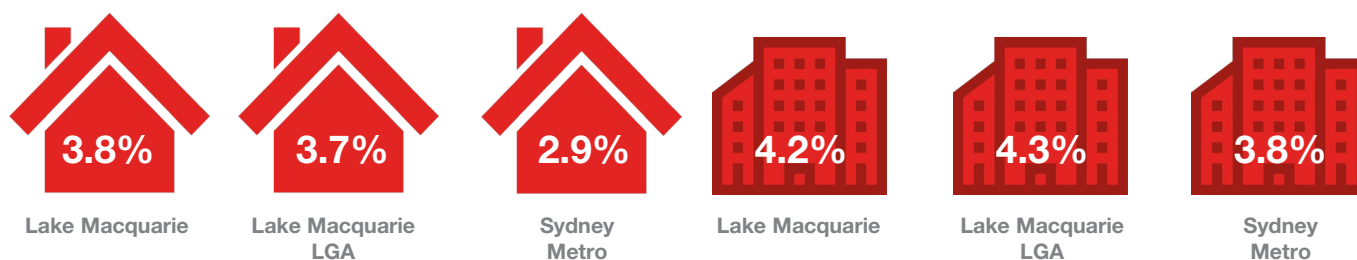
Lake Macquarie* recorded a vacancy rate of 1.1% in June 2019, even lower than the LGA's already low rate of 1.5% and much lower than Sydney Metro's 3.5%. This confirms there is a stronger rental demand in Lake Macquarie*.



RENTAL VACANCY RATES 2019



RENTAL YIELD 2019^

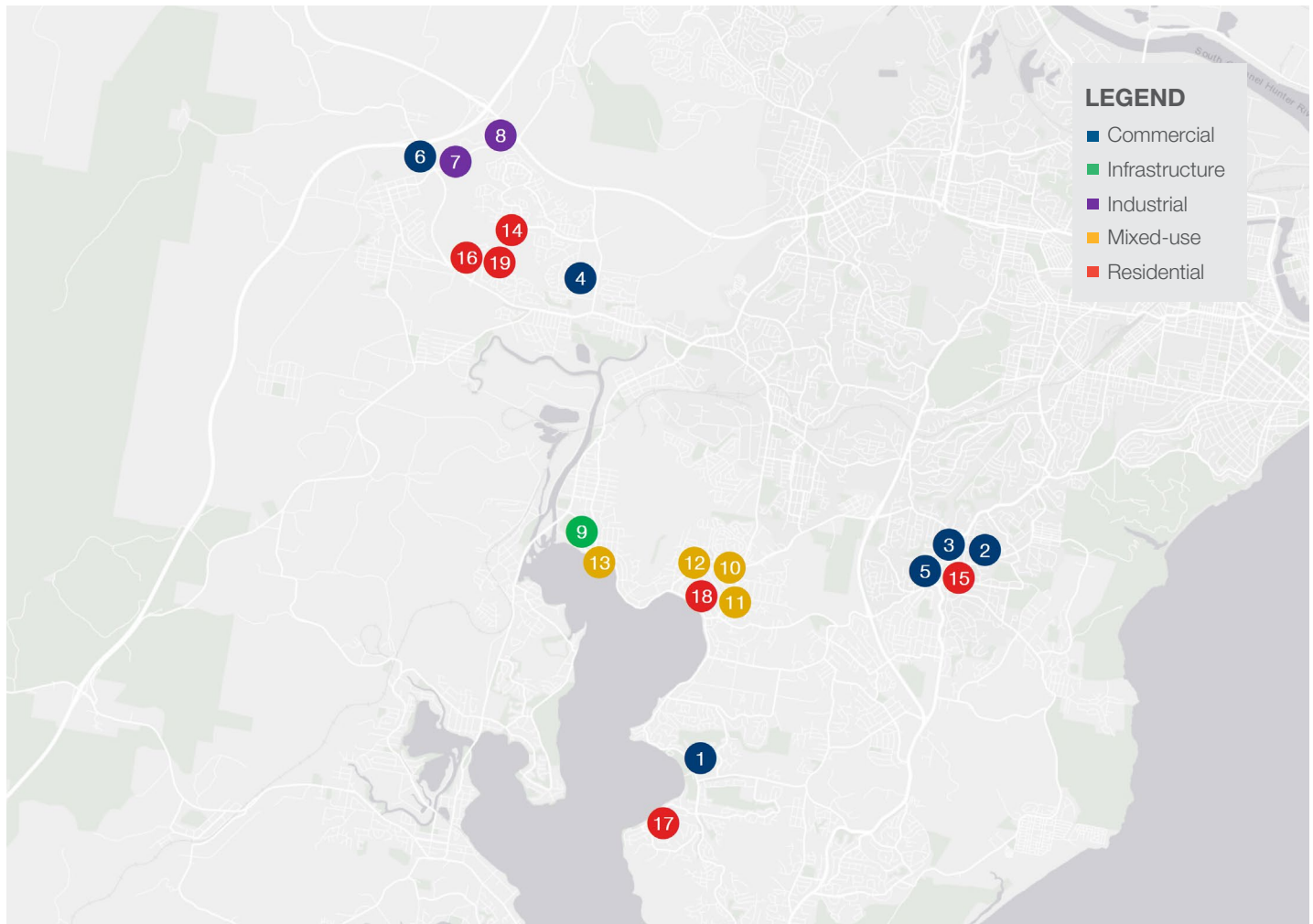


*Rental performance graph represents aggregate house median rent prices within the suburbs Warners Bay, Speers Point, Eleebana, Valentine, Cameron Park and Charlestown. Annual rental growth is a comparison between 2018 and 2019 (Q1 - Q3) house median rent figures.

^Rental yields shown are as reported at June 2019.

Source: APM Pricer, SQM Research. © Copyright PRDnationwide 2019.

PROJECT DEVELOPMENT MAP 2ND HALF 2019*



Location	Project**	Type	Estimated Value***	Commence Date****
1	Calvary St Francis Retirement Village	Commercial	\$6,171,000	17/09/2019
2	Charlestown Square North Piazza	Commercial	\$4,639,000	11/08/2019
3	Charlestown Square Shopping Centre - Target	Commercial	\$1,694,000	11/12/2019
4	Harris Street Seniors Housing Units	Commercial	\$500,000	05/12/2019
5	Charlestown Bowling Club - Emergency Generator	Commercial	\$200,000	16/10/2019
6	Go Karts Go	Commercial	\$150,000	12/12/2019
7	Billbrooke Close Light Industrial Building	Industrial	\$1,400,000	20/11/2019
8	Stenhouse Drive Warehouse	Industrial	\$950,000	03/09/2019
9	Wangi Wangi & Speers Point Jetties	Infrastructure	\$500,000	14/10/2019
10	King Street Mixed Use Development (12 Units)	Mixed-use	\$4,900,000	15/11/2019
11	King & Martin Streets Mixed Use Development (8 Apartments)	Mixed-use	\$3,000,000	19/09/2019
12	King Street Mixed Use Development (6 Apartments)	Mixed-use	\$1,787,000	12/11/2019
13	The Esplanade Mixed Use Development	Mixed-use	\$880,000	24/08/2019
14	Portland Drive Dwellings & Residential Subdivision (53 Dwellings)	Residential	\$13,860,000	18/12/2019
15	Smith Street Units (34 Units)	Residential	\$8,635,000	20/12/2019
16	Mckendry Drive Dwellings & Residential Subdivision (24 Dwellings)	Residential	\$4,800,000	15/11/2019
17	Berringar Road Townhouses (7 Townhouses)	Residential	\$1,900,000	17/12/2019
18	John Street Townhouses (5 Townhouses)	Residential	\$1,700,000	28/11/2019
19	Jobling Street Dwellings (5 Dwellings)	Residential	\$1,248,000	12/12/2019

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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