



# Lake Macquarie Market Update 1st Half 2020



## OVERVIEW

In Q1 2020, Lake Macquarie\* recorded a median house price of \$657,000, and a median unit price of \$542,500. This represents annual (Q1 2019 – Q1 2020) median price growth of 4.7% for houses and 22.3% for units. Between Q1 2019 – Q1 2020 total house sales slowed down by -21.2% (to 123 sales) and have increased by 71.9% for units (to 55 sales). With prices accelerating regardless of the number of available stock, now is a good time to transact in the Lake Macquarie\* property market.

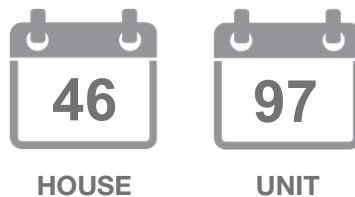
	CHANGE FROM LAST	YEAR	HALF YEAR
	House Sales	↓	↓
	House Median Price	↑	↑
	House Rental Price	↑	↑
	Unit Sales	↑	↑
	Unit Median Price	↑	↑
	Unit Rental Price	↑	↓

## MARKET CONDITIONS

### SALES MEDIAN PRICE Q1 2020



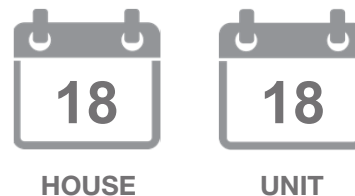
### SALES AVERAGE DAYS ON MARKET Q1 2020



### RENTAL MEDIAN PRICE Q1 2020

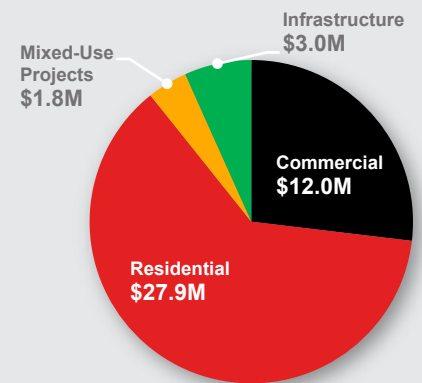


### RENTAL AVERAGE DAYS ON MARKET Q1 2020



## FUTURE DEVELOPMENTS

Lake Macquarie\* is set to see approx. **\$44.7M** worth of new projects commencing in the 1st half of 2020.



A focus on residential projects in Lake Macquarie\* will ensure sufficient housing availability for an ever-increasing population. This should have a positive spill-over impact on the real estate market, assisting with price growth sustainability in the area.

A main residential project in the 1st half 2020 period is the Portland Drive Dwellings and Residential Subdivision (\$13.9M), adding 53 dwellings. The Calvary St Francis Retirement Village (\$6.2M) will extend the existing facility with 17 rooms and a community centre, ensuring aging residents are cared for and creating new jobs.



18 Units/  
Apartments



82  
Dwellings



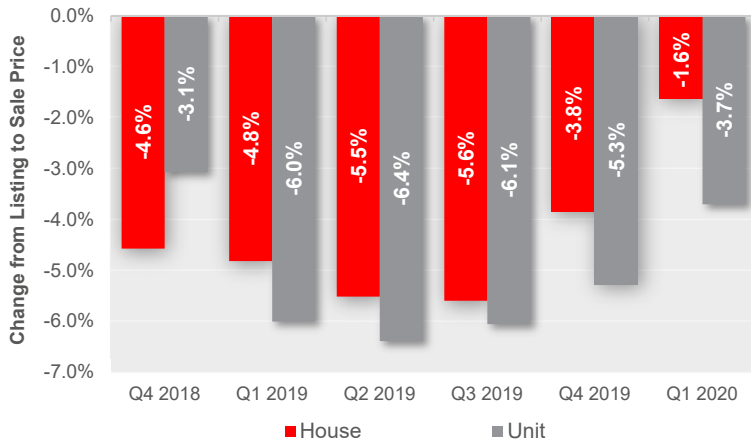
115 Lots

\*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 resale value. Source: APM Pricer, Cordell Connect database. © Copyright PRD 2020.

# AVERAGE VENDOR DISCOUNT\* KEY COMMENTS

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.

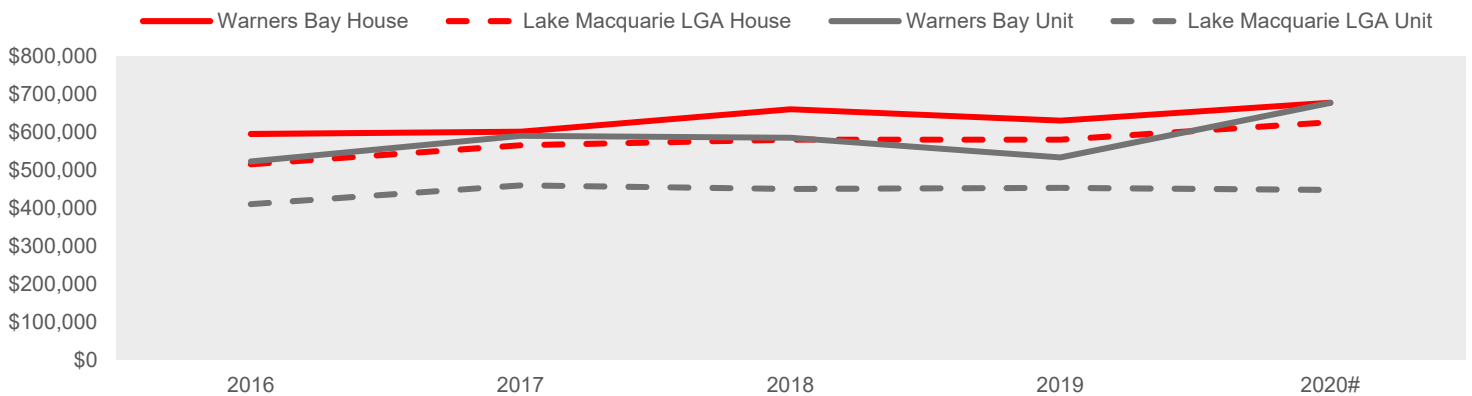
Average vendor discounts between Q1 2019 and Q1 2020 have tightened for both property types, to -1.6% for houses and -3.7% for units. Market conditions in Lake Macquarie\* is conducive for sellers and buyers. Sellers are achieving final sale prices closer to their first list price, yet buyers can still access a discount.



The suburb of Warners Bay historically has performed above the wider Lake Macquarie Local Government Area in its median prices. 2020# has seen a particularly strong performance by units, increasing strongly to nearly the median house price in the area.

The dominant price point of homes sold across 2019^ in Lake Macquarie\* was \$550,000-\$650,000 (26.7%). A range of more affordable and premium options were also available, suggesting the market is accessible to buyers with varying budgets.

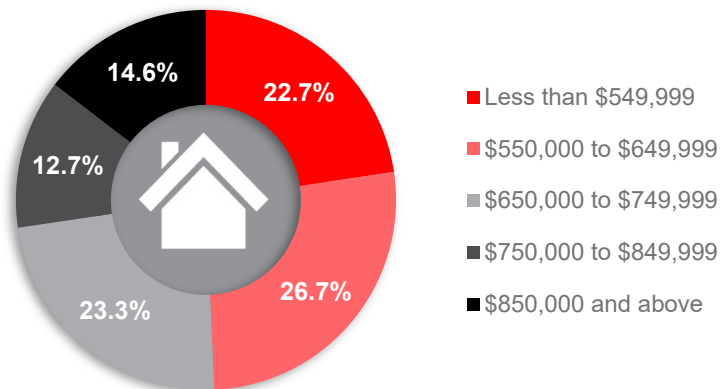
## MARKET COMPARISON



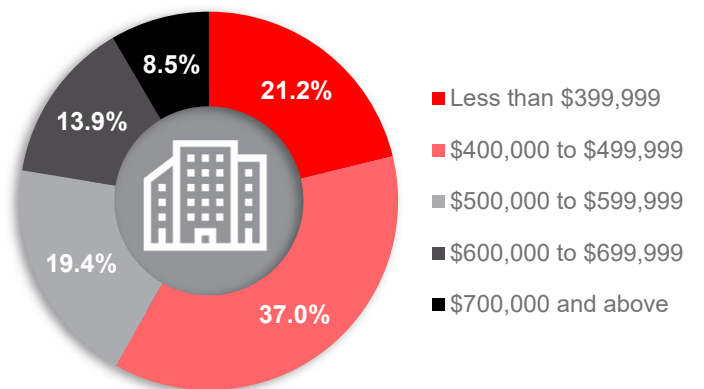
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Warners Bay.

## PRICE BREAKDOWN 2019^

### HOUSES SOLD



### UNITS SOLD



## RENTAL GROWTH 2019\*

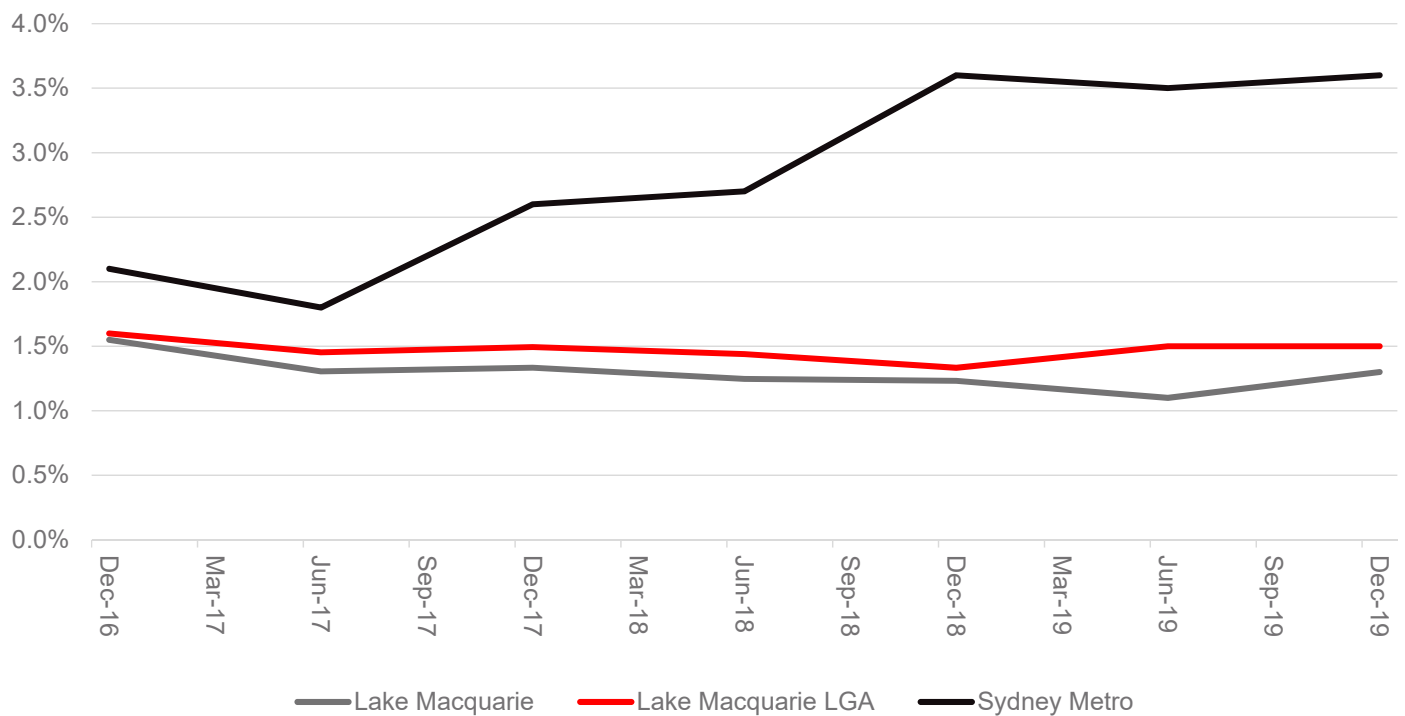
Over the past 12 months, house rental yields in Lake Macquarie remained fairly steady to sit at 3.6% in December 2019. This suggests the house rental market is in a healthy position, despite a softening in demand for house rentals in the area over the same time period (down by -5.8% in the 12 months to Q1 2020).

4+ bedroom houses have provided investors with +0.9% rental growth annually, achieving a median rent of \$540 per week.

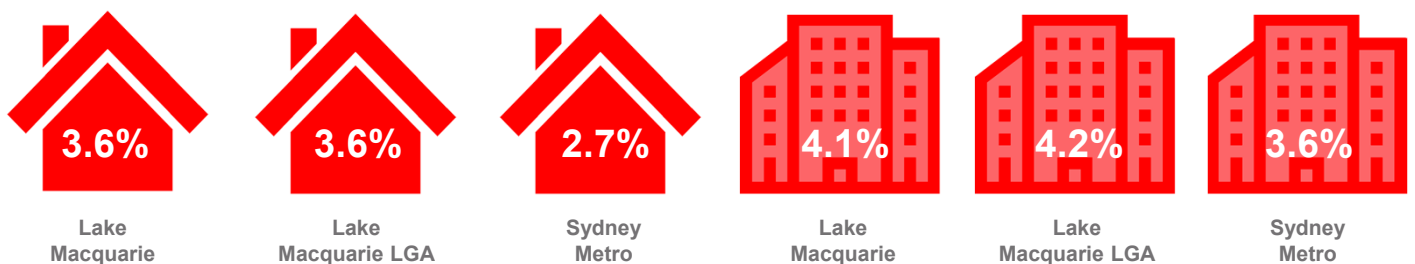
Lake Macquarie recorded a vacancy rate of 1.3% in December 2019, which is quite low and is well below the Real Estate Institute of Australia's healthy benchmark of 3.0%. It is also well below Sydney Metro's 3.6% vacancy rates, which confirms a healthy rental demand exists for properties in Lake Macquarie. This is good news for investors looking for a more affordable investment option outside of the Sydney Metro area.



## RENTAL VACANCY RATES 2019

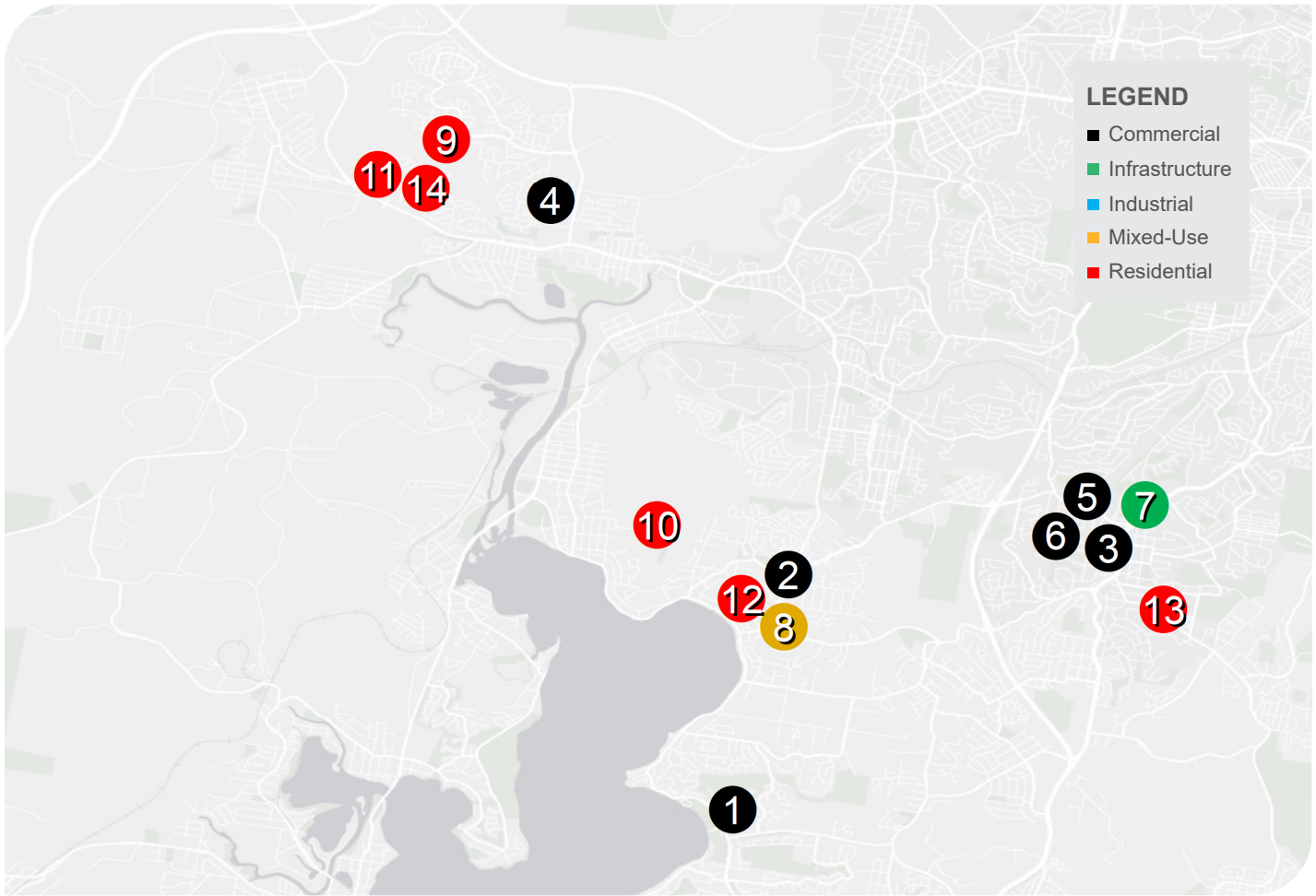


## RENTAL YIELD 2019^



\*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 house median rent figures.  
 ^Rental yields shown are as reported at December 2019.  
 Source: APM Pricerfinder, SQM Research. © Copyright PRD 2020.

# PROJECT DEVELOPMENT MAP 1ST HALF 2020\*



Location	Project**	Type	Estimated Value***	Commence Date****
1	Calvary St Francis Retirement Village	Commercial	\$6,171,000	17/04/2020
2	King Street Service Station	Commercial	\$2,998,000	01/01/2020
3	Charlestown Square Shopping Centre - Target	Commercial	\$1,694,000	23/04/2020
4	Harris Street Seniors Housing Units	Commercial	\$500,000	05/02/2020
5	Charlestown Square Shopping Centre	Commercial	\$400,000	06/05/2020
6	NDIA Charlestown	Commercial	\$250,000	06/01/2020
7	Charleston Innovation Precinct	Infrastructure	\$3,000,000	08/06/2020
8	King Street Mixed Use Development (6 Apartments)	Mixed-use	\$1,787,000	16/04/2020
9	Portland Drive Dwellings & Residential Subdivision (53 Dwellings)	Residential	\$13,860,000	09/05/2020
10	Raymond Street Residential Subdivision Stages 1 & 2 (115 Lots)	Residential	\$5,300,000	20/01/2020
11	Mckendry Drive Dwellings & Residential Subdivision (24 Dwellings)	Residential	\$4,800,000	15/02/2020
12	Charles St Units (5 Units)	Residential	\$1,400,000	13/04/2020
13	Dudley Road Units (7 Units)	Residential	\$1,260,000	30/06/2020
14	Jobling Street Dwellings (5 Dwellings)	Residential	\$1,248,000	21/03/2020

## 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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