

Port Stephens Market Update

1st Half 2024



OVERVIEW

In Q1 2024, Port Stephens* recorded a median house price of \$1,050,000, and a median unit price of \$625,000. This represents annual (Q1 2023 – Q1 2024) median price growth of 5.0% for houses and 0.8% for units. Total sales increased between Q1 2023 – Q1 2024, by 10.8% (to 113 sales) for houses and by 60.4% for units (to 85 sales). Confidence is high in Port Stephens*, with properties in high demand despite higher interest rates, which created a buffer to prices, especially with houses. Now is an ideal time for owners to capitalise on their investment. There is slower price growth for units, which is an opportunity for first home buyers.

CHANGE FROM LAST YEAR HALF YEAR



	YEAR	HALF YEAR
HOUSE SALES	↑	↑
HOUSE MEDIAN PRICE	↑	↑
HOUSE RENTAL PRICE	↑	↑

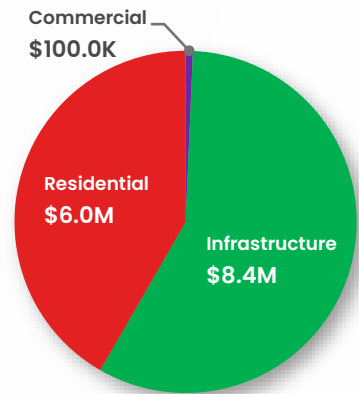


UNIT SALES	↑	↓
UNIT MEDIAN PRICE	↑	↓
UNIT RENTAL PRICE	↑	↑



FUTURE DEVELOPMENTS

Port Stephens will see approximately **\$33.7M worth of new projects commencing in the 1st half of 2024.**



A focus on infrastructure projects improve liveability for residents, which can attract more people to live in the area. This will increase demand for housing.

A key infrastructure development in the 1st half of 2024 is the Don Waring Oval Field & Carpark Redevelopment (\$7.6M).

In the 1st half of 2024 there are two residential projects that is planned for construction:

- Soldiers Point Road (6 Units)
- Government Road (4 Units)

Although new ready-to-sell units will assist with answering some of the demand, this is not enough, due to an undersupply is evident in both property types. An absence in new ready-to-sell houses will push prices further, not only for houses but also units, as buyers divert their attention from houses to units.



10 Units/
Apartments



MARKET CONDITIONS

MEDIAN PRICE
Q1 2024



\$1.05M



\$625K

SALES

AVERAGE DAYS
ON MARKET Q1 2024



61
HOUSE



67
UNIT

MEDIAN PRICE
Q1 2024



\$660



\$520

RENTALS

AVERAGE DAYS
ON MARKET Q1 2024



24
HOUSE



21
UNIT



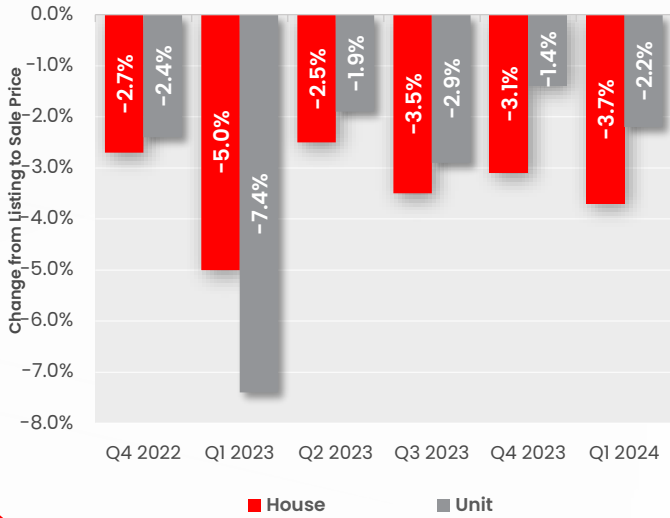
AVERAGE VENDOR DISCOUNT*

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.

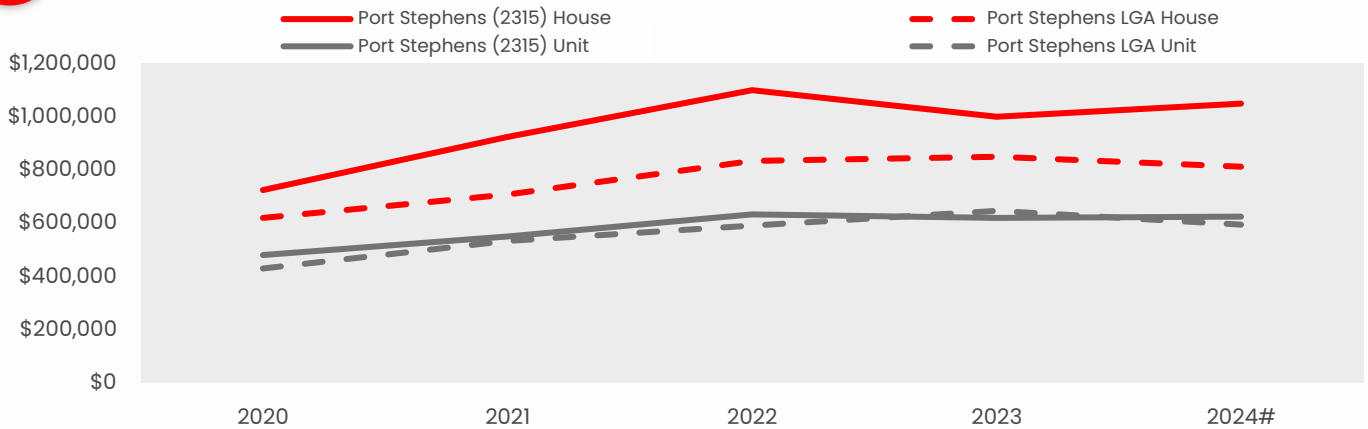
Average vendor discounts between Q1 2023 and Q1 2024 have tightened to a lower discount of -3.7% for houses and -2.2% for units. Market conditions in Port Stephens* continue to favour buyers, as sellers are still accepting offers lower than the first list price. That said the market is transitioning to a seller's market, as the level of discount becomes lower. Thus, buyers must act fast.

The suburb of Port Stephens has historically outperformed Port Stephens Local Government Area (LGA) in median house prices, and on-par for units. 2023/24# saw this continue, especially with the recovery in median house price. There remains a large gap between house and unit prices in both areas, with units being more affordable.

The dominant proportion of homes sold in Port Stephens* across 2023/2024# were in the premium price bracket of \$1,200,001 and above (35.8%). Most of the units sold were also in the premium price bracket, of \$750,000 and above (33.3%). This is good news for owners and investors. That said 34.7% of houses were sold in the most affordable price point of less than \$900,000, and 14.5% of units sold were less than \$449,999; thus, an opportunity for buyers.



MARKET COMPARISON

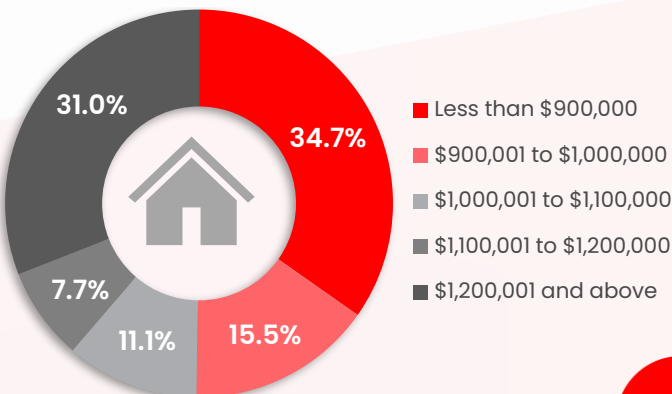


The market comparison graph provides a comparative trend for the median price of houses and units in the past 5 years. The LGA profiled was chosen based on their proximity to the main suburb analysed, which is Port Stephens.

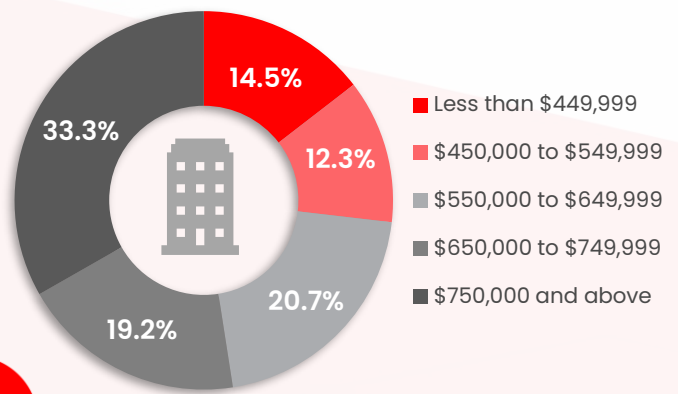


PRICE BREAKDOWN 2023/24#

HOUSES SOLD



UNITS SOLD





RENTAL GROWTH 2024€

House rental yields in Port Stephens[‡] was 3.4% in March 2024, higher than Sydney Metro's 2.9%. This was paired with a 6.5% increase in median house rental price over the past 12 months to Q1 2024, at \$660 per week, and a -12.9% decline in the number of houses rented (at 88 houses). The unit market shows a similar trend, confirming that both rental markets are undersupplied. This confirms Port Stephens[‡] as an alternative, slightly more affordable, investment area than Sydney Metro.

2-bedroom houses recorded +11.1% growth annually, with a median rent of \$500 per week.

Port Stephens[‡] recorded a vacancy rate of 2.2% in March 2024, well above Sydney Metro's 1.1% average. Vacancy rates in Port Stephens[‡] have fluctuated significantly over the past 12 months, due to investors entering/exiting the market alongside cash rate movements. That said vacancy rates in the first quarter of 2024 have held steady and is below the Real Estate Institute of Australia's 'healthy' Benchmark of 3.0%, indicating there is still quicker occupancy of rental properties in Port Stephens[‡].

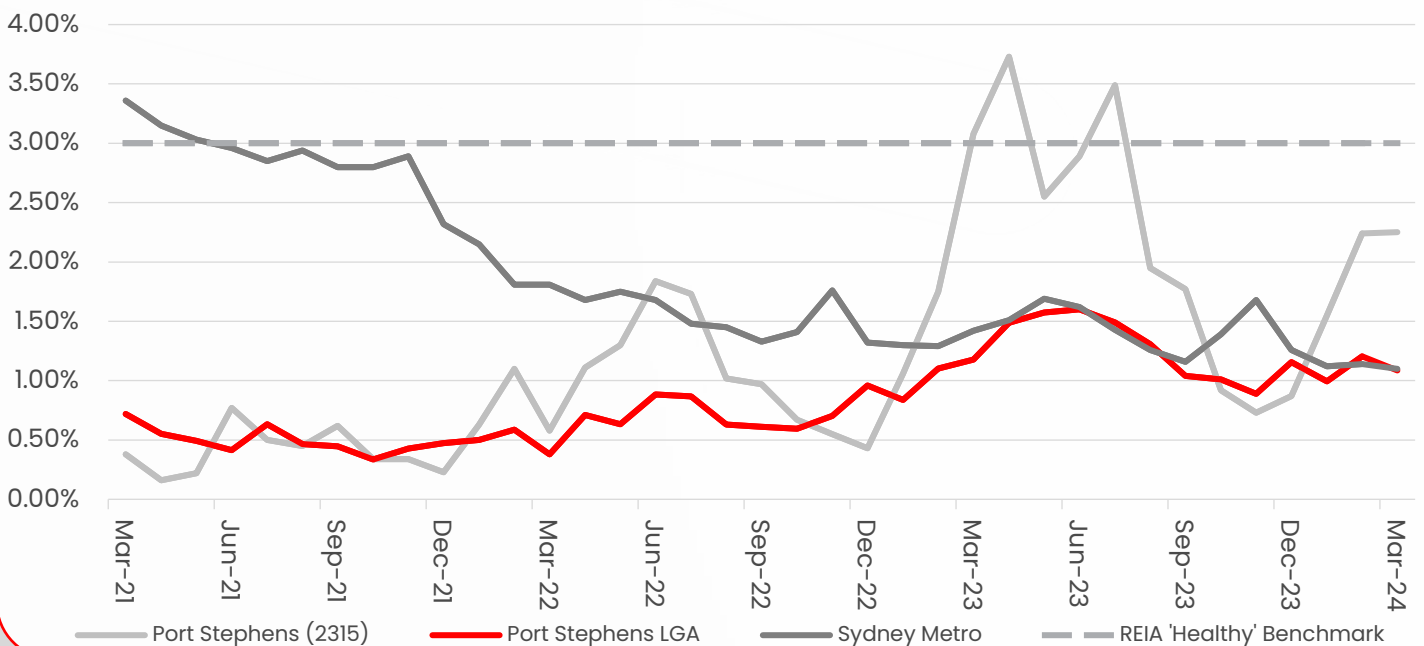
2 BEDROOMS
+11.1%

3 BEDROOMS
+3.4%

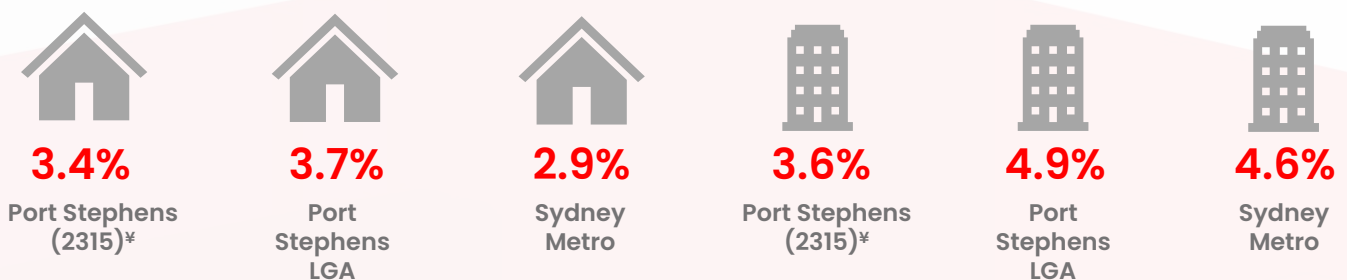
4 BEDROOMS
+1.4%



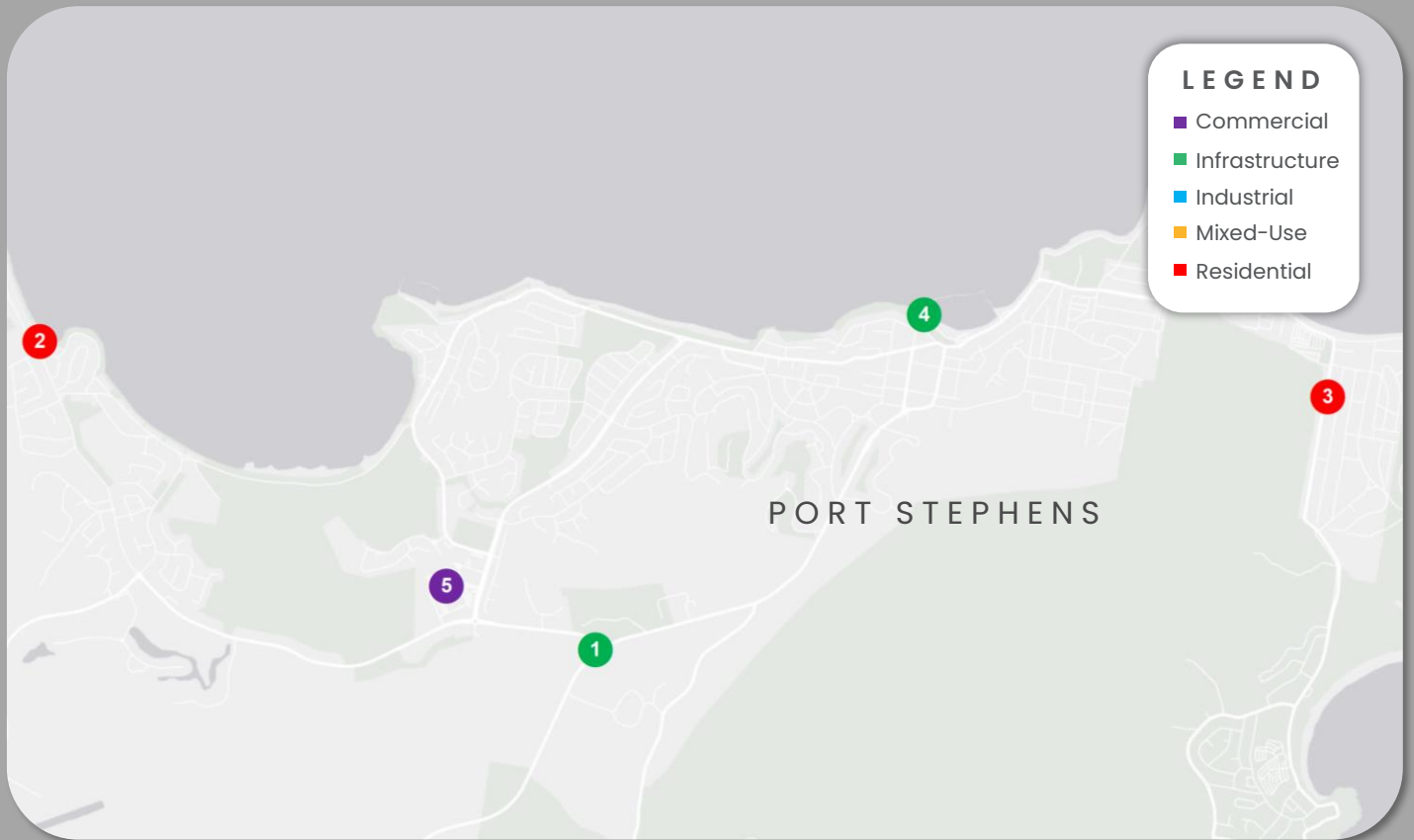
RENTAL VACANCY RATES 2024



RENTAL YIELD 2024§



PROJECT DEVELOPMENT 1st HALF MAP 2024^A



#	Project [£]	Type	Estimated Value ^µ	Commence Date ^ψ
1	Don Waring Oval Field & Carpark Redevelopment (Local Government)	Infrastructure	\$7,600,000	29/04/2024
2	245 Soldiers Point Road Units (6 Units)	Residential	\$3,686,180	03/04/2024
3	29 Government Road Units (4 Units)	Residential	\$2,355,000	22/04/2024
4	Teramby Road Landslip Remediation (Local Government)	Infrastructure	\$750,000	24/06/2024
5	2 Town Centre Circuit Car Wash Facility	Commercial	\$100,000	10/06/2024

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RESEARCH SERVICES

Our research services span over every suburb, LGA, and state within Australia; captured in a variety of standard and customised products, and 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

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REFERENCES

* Port Stephens market data and key indicators encapsulates aggregate property market conditions within the suburbs of Anna Bay, Corlette, Nelson Bay, Salamander Bay, Shoal Bay, and Soldiers Point.

** Estimated values are based on construction value provided by the relevant data authority and does not reflect commercial and/or re-sale value.

2024 encapsulates sales transactions for Q1 2024 (01/01/2024 – 31/03/2024) only, other years encapsulates sales transactions for the full year (i.e 01/01 to 31/12 of the relevant year).

€ Annual rental growth is a comparison between Q1 2023 (01/01/2023 – 31/03/2023) and Q1 2024 (01/01/2024 – 31/03/2024) house median rent figures.

¥ Port Stephens market data encapsulates aggregate property conditions within the postcode of 2315.

§ Rental yields shown are as reported as of March 2024.

A Project development map showcases a sample of upcoming projects only, due to accuracy of addresses provided by the data provider for geocoding purposes.

£ Projects refers to the top developments within the suburbs of Anna Bay, Corlette, Nelson Bay, Salamander Bay, Shoal Bay, and Soldiers Point.

µ Estimated value is the value of construction costs provided by relevant data authority, it does not reflect the project's sale/commercial value.

ψ Commencement date quoted for each project is an approximate only, as provided by the relevant data authority, PRD does not hold any liability to the exact date.

Source: APM Pricerfinder, Cordell Connect database, SQM Research, Esri ArcGIS.

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