

# Hervey Bay Market Update 2<sup>nd</sup> Half 2024



## OVERVIEW

In Q3 2024, Hervey Bay\* recorded a median house price of \$680,000 and a median unit price of \$490,000. This is an annual (Q3 2023 – Q3 2024) price growth of 9.6% for houses and 11.4% for units. Comparing Q3 2023 vs Q3 2024 total sales dropped by -16.8% for houses (to 308 sales in Q3 2024) and -14.0% for units (to 111 sales in Q3 2024). Price growth and less sales suggest a clear undersupply in the market, creating a buffer against higher interest rates. Now is an ideal time for owners to capitalize on their investments, especially as there are no new stand-alone houses planned for construction for the rest of 2024.

### CHANGE FROM LAST YEAR HALF YEAR



|                    | YEAR | HALF YEAR |
|--------------------|------|-----------|
| HOUSE SALES        | ↓    | ↓         |
| HOUSE MEDIAN PRICE | ↑    | ↑         |
| HOUSE RENTAL PRICE | ↑    | ↑         |

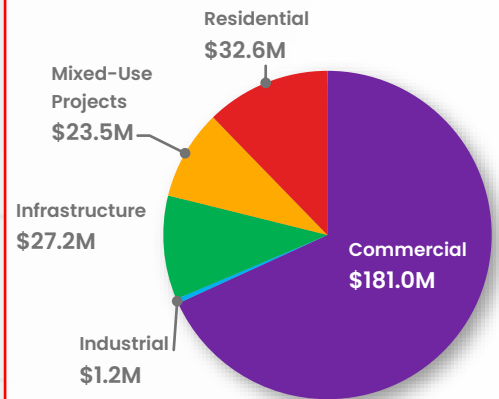


|                   | YEAR | HALF YEAR |
|-------------------|------|-----------|
| UNIT SALES        | ↓    | ↓         |
| UNIT MEDIAN PRICE | ↑    | ↑         |
| UNIT RENTAL PRICE | ↑    | ↓         |



## FUTURE DEVELOPMENTS

Hervey Bay is set to see approximately **\$265.5M worth of new projects commencing in the 2<sup>nd</sup> half of 2024.**



A key commercial project in the 2<sup>nd</sup> half of 2024 is Lakeview Springs Lifestyle Resort Residences (\$70.0M). The project will construct 255 2- and 3-bedroom aged/care retirement units/residences within the Lakeview Springs lifestyle resort.

Key residential projects included:

- Baylinks Estate Pialba Subdivision Stages 5-9 & 11-17 (204 Lots)
- 14 Honiton Street (\$7.0M, 8 Apartments & 8 townhouses)
- 441 Esplanade Units (5 Units)

Although there are some residential projects planned, none brings new stand-alone houses to the market. This has the potential of pushing up house prices even further.



37 Units/  
Apartments



28  
Townhouses



266 Lots



## MARKET CONDITIONS

MEDIAN PRICE  
Q3 2024



\$680K



\$490K

SALES

AVERAGE DAYS  
ON MARKET Q3 2024



64  
HOUSE



50  
UNIT

MEDIAN PRICE  
Q3 2024



\$600



\$465

RENTALS

AVERAGE DAYS  
ON MARKET Q3 2024



19  
HOUSE

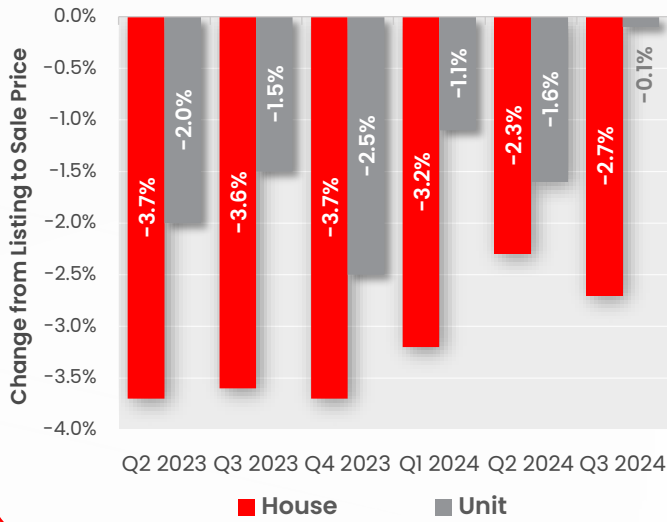


19  
UNIT



## 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.



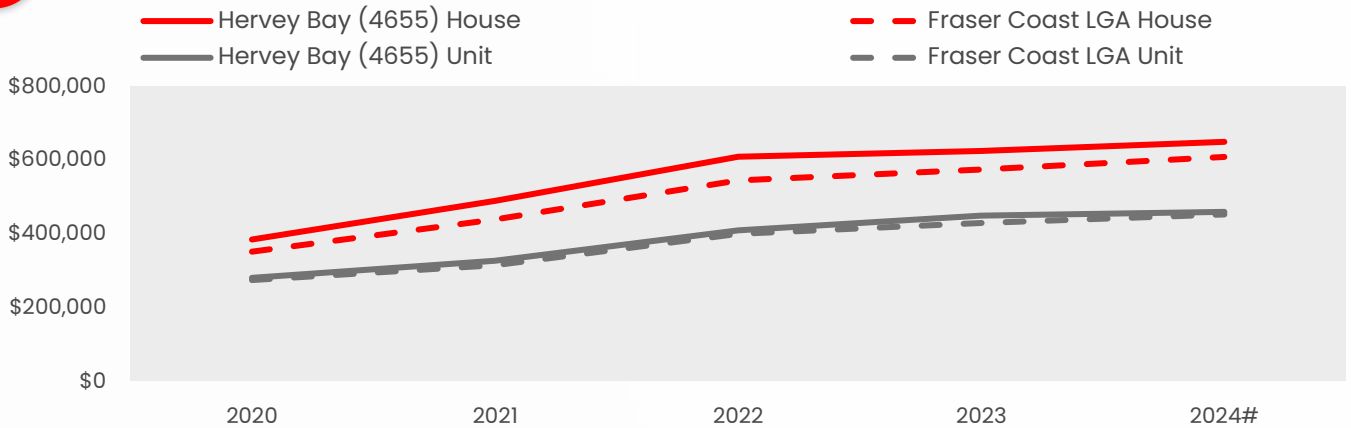
Average vendor discounts between Q3 2023 and Q3 2024 have tightened to -2.7% for houses and -0.1% for units. The Hervey Bay\* market is shifting, especially units, with the average vendor discount nearing 0 and the peak discount period has passed (in mid-late 2023). Observations on a transaction-by-transaction basis suggests that in Q3 2024 vendor discounting is only occurring to properties that are incorrectly priced, with most properties already sold on enquiry. This suggests that time is limited for buyers.

For the past five years the city of Hervey Bay has historically outperformed the wider Fraser Coast Regional Area (LGA) for median house price, and on par for median unit price. This continues in 2024#, with both the city and the LGA experiencing stable growth.

The dominant proportion of houses sold in Hervey Bay\* in 2024# were in the more affordable price bracket between \$550,000 to \$649,999 (28.3%). Most of the units sold were also in the more affordable price bracket, of \$350,000 \$449,999 (27.4%). The premium market is strong, with 21.3% of houses sold at \$850,000 and above and 17.5% of units sold at \$650,000 and above. This is good news for owners.



## MARKET COMPARISON

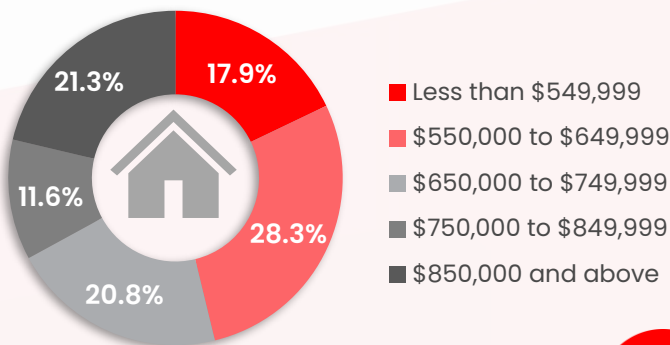


The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA chosen was based on their proximity to the main suburb analysed, which is Hervey Bay.

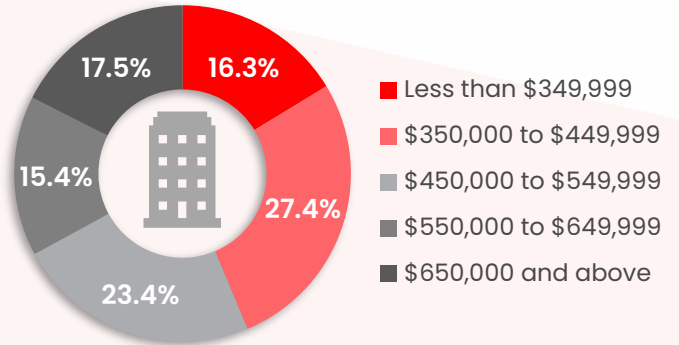


## PRICE BREAKDOWN 2024#

### HOUSES SOLD



### UNITS SOLD





## RENTAL GROWTH 2024€

House rental yields in Hervey Bay\* was 4.0% in September 2024, slightly higher than the Fraser Coast LGA (3.9%) and Brisbane Metro (3.2%). This was paired with a 9.1% increase in median house price in the past 12 months to Q3 2024, at \$600 per week. The number of houses rented declined by -1.4% in the past 12 months, to 343 rentals in Q3 2024. The same pattern, of higher rent and less properties rented, can be seen in the unit rental market. This confirms there is an undersupply of rental properties in Hervey Bay\*, which is beneficial to investors.

3+ bedroom houses have provided investors with +10.0% rental growth annually, achieving a median rent of \$550 per week.

Hervey Bay\* recorded a vacancy rate of 0.8% in September 2024, on par with the Fraser Coast LGA's 0.8% average, but below Brisbane Metro's 1.1% average. Vacancy rates in Hervey Bay\* decreased slightly in the past 12 months, signalling an even tighter rental market. A 0.8% vacancy rate is well below the Real Estate Institution of Australia's healthy benchmark of 3.0%, suggesting quick occupancy of rental homes. This is a conducive environment for investors.

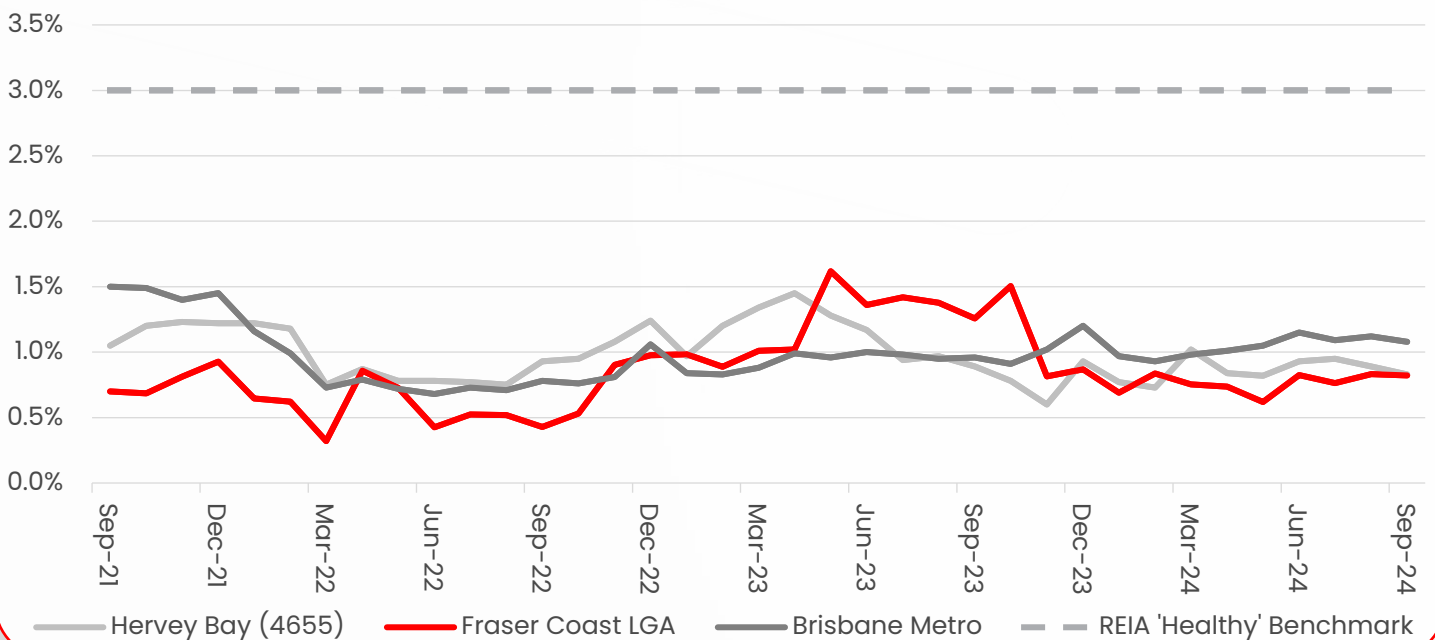
2 BEDROOMS  
**+5.7%**

3 BEDROOMS  
**+10.0%**

4 BEDROOMS  
**+6.9%**



## RENTAL VACANCY RATES 2024



## RENTAL YIELD 2024§



**4.0%**

Hervey Bay (4655)



**3.9%**

Fraser Coast LGA



**3.2%**

Brisbane Metro



**4.8%**

Hervey Bay (4655)



**4.6%**

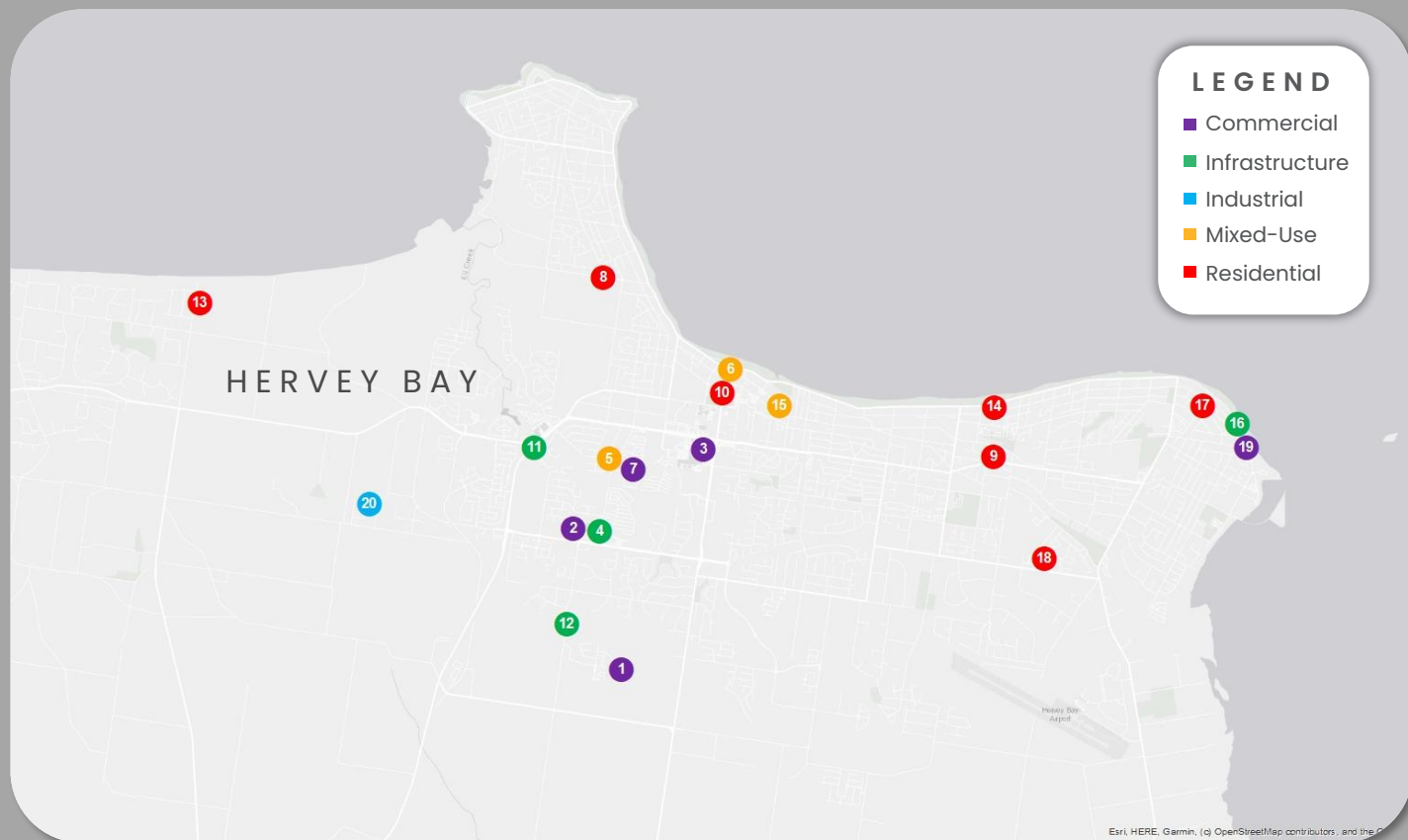
Fraser Coast LGA



**4.5%**

Brisbane Metro

# PROJECT DEVELOPMENT 2<sup>nd</sup> HALF MAP 2024<sup>A</sup>



| #  | Project <sup>£</sup>   | Type           | Estimated Value <sup>µ</sup> | Commence Date <sup>ψ</sup> |
|----|--|----------------|------------------------------|----------------------------|
| 1  | Lakeview Springs Lifestyle Resort Residences (Aged Care & Retirement)  | Commercial     | \$70,000,000                 | 25/11/2024                 |
| 2  | Hervey Bay Hospital - Car Park   | Commercial     | \$60,000,000                 | 1/07/2024                  |
| 3  | Stockland Hervey Bay Urraween Shopping Centre Extension Stages 2B & 2C                                       | Commercial     | \$40,000,000                 | 1/08/2024                  |
| 4  | Hervey Bay Hospital (State Government)   | Infrastructure | \$14,033,150                 | 9/09/2024                  |
| 5  | Hervey Bay Homemaker Centre Stage 1 (Different Tenant Types)   | Mixed-Use      | \$10,500,000                 | 4/11/2024                  |
| 6  | 2 Main Street Mixed Use Development (Residential - 9 Units + Commercial)                                     | Mixed-Use      | \$10,000,000                 | 9/09/2024                  |
| 7  | Hervey Bay Homemaker Centre Urraween Showroom Stage 2  | Commercial     | \$9,500,000                  | 5/08/2024                  |
| 8  | Baylinks Estate Pialba Residential Subdivison Stages 5-9 & 11-17 (204 Lots)                                  | Residential    | \$9,200,000                  | 1/10/2024                  |
| 9  | 14 Honiton Street Residential Development (8 Apartments & 8 Townhouses)                                      | Residential    | \$7,000,000                  | 2/12/2024                  |
| 10 | 254-262 Torquay Terrace Townhouses (20 Townhouse)  | Residential    | \$6,000,000                  | 1/12/2024                  |
| 11 | Maryborough-hervey Bay Road & Pialba-burrum Heads Road Intersection Upgrade - Early Works (State Government) | Infrastructure | \$5,386,041                  | 2/12/2024                  |
| 12 | Woods Road, Chapel Road & Madsen Road Intersection Upgrade (State Government)                                | Infrastructure | \$4,000,000                  | 2/12/2024                  |
| 13 | Beachside Estate Subdivision Stage 1 (34 Lots)   | Residential    | \$3,600,000                  | 1/12/2024                  |
| 14 | 441 Esplanade Units (5 Units)  | Residential    | \$3,500,000                  | 8/11/2024                  |
| 15 | 72 Torquay Road & Hillyard Street Units & Office (Residential - 6 Units + Commercial - Office)               | Mixed-Use      | \$3,000,000                  | 16/10/2024                 |
| 16 | Urangan Seawall Construction (Local Government)  | Infrastructure | \$2,026,843                  | 7/10/2024                  |
| 17 | The Place Apartments Urangan Conversion (28 Lots)  | Residential    | \$2,000,000                  | 21/10/2024                 |
| 18 | 59 Boundary Road Residential Subdivision Stage 1   | Residential    | \$1,300,000                  | 21/12/2024                 |
| 19 | Fraser Coast Turtle Rehabilitation And Research Facility - Refurbishment & Fitout                            | Commercial     | \$1,250,000                  | 28/10/2024                 |
| 20 | 36 Industrial Avenue Warehouse   | Industrial     | \$1,200,000                  | 22/11/2024                 |

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## RESEARCH SERVICES

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- 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

\* Hervey Bay market data and key indicators encapsulates aggregate property market conditions within the postcode of 4655.

\*\* 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 first three quarters of 2024 (01/01/2024 – 30/09/2024) 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 Q3 2023 (01/07/2023 – 30/09/2023) and Q3 2024 (01/07/2024 – 30/09/2024) median house rent figures.

¥ Hervey Bay market data encapsulates aggregate property conditions within the postcode of 4655.

§ Rental yields shown are as reported as of September 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 Torquay, Urangan, Pialba, Dundowran, Hervey Bay, Nikenbah, Point Vernon, Urraween, Wondunna, Scarness.

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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