



Lake Macquarie Market Update 2nd Half 2021



OVERVIEW

In Q3 2021, Lake Macquarie* recorded a median house price of \$920,000, and a median unit price of \$635,000. This represents annual (Q3 2020 – Q3 2021) median price growth of 35.3% for houses and 23.9% for units. Between Q3 2020 – Q3 2021 total sales slowed for houses, by -15.2% to 196 sales, and picked up for units, up by 46.4% (to 82 sales). With an uptake in sales and median price for units there is real returns in capital investment, whilst lower levels of housing supply and price growth suggest an undersupply. Now is an ideal time for property owners to transact in Lake Macquarie*.

	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 Q3 2021



SALES AVERAGE DAYS ON MARKET Q3 2021



RENTAL MEDIAN PRICE Q3 2021

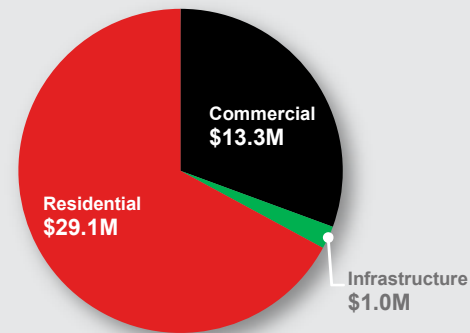


RENTAL AVERAGE DAYS ON MARKET Q3 2021



FUTURE DEVELOPMENTS

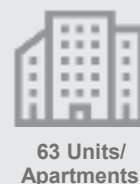
Lake Macquarie* is set to see approximately **\$43.4M** worth of new projects commencing in the 2nd half of 2021.



These projects will create new housing supply and create new employment opportunities in Lake Macquarie*, which will have a positive impact on the real estate market.

A main commercial project in 2nd half of 2021 is Calvary St Francis Retirement Village (\$6.1M). This expand and extend the existing age care facility, to include a new wing. The Lake Macquarie City Council Fencing infrastructure project (\$1M) will see the supply and installation of fencing at council buildings, parks and reserves across the area,

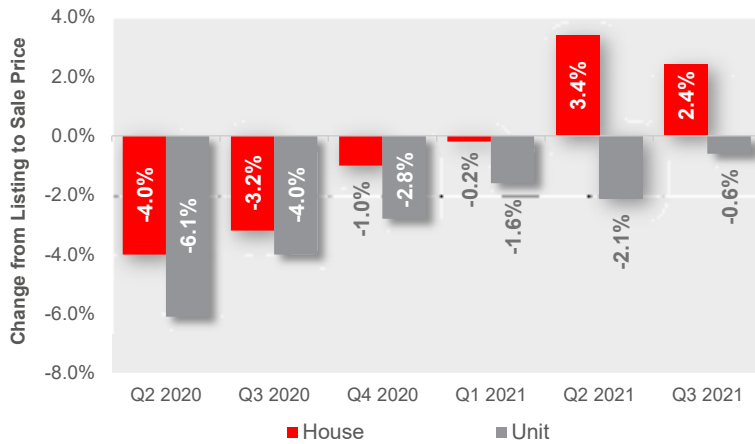
Key residential projects include: Smith Street Units (\$8.6M, 34 Units), McKendry Drive dwellings & residential subdivision (\$4.8M, 24 Dwellings, 24 Lots) which will add much needed ready-to-sell and ready-to-build housing supply.



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.

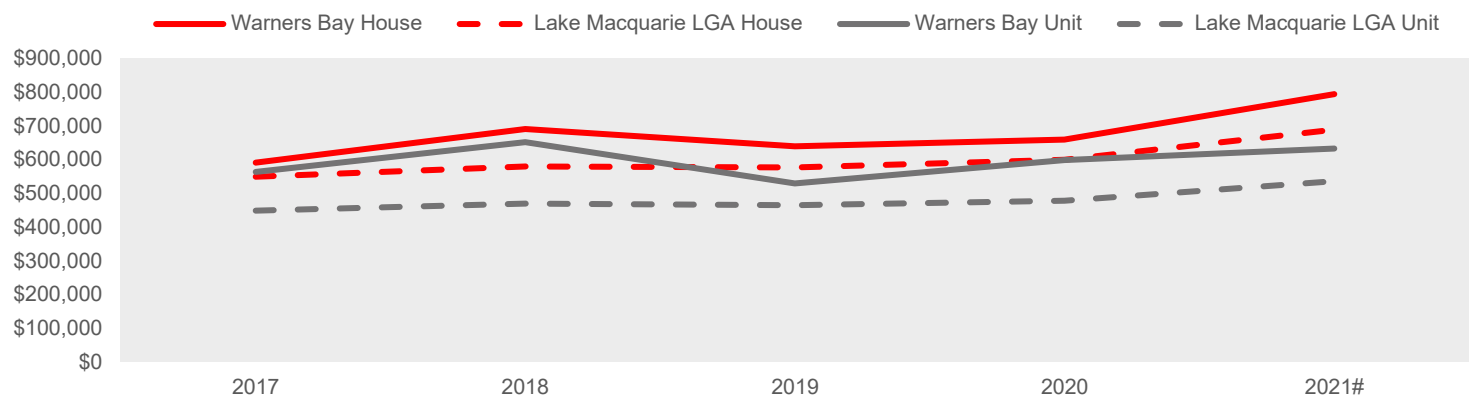
Average vendor discounts between Q3 2020 and Q3 2021 have tightened to -0.6% for units and swung to a premium of +2.4% for houses. House market conditions in Lake Macquarie* have now shifted to favour vendors, as buyers are willing to offer above the first listing price. Unit buyers can still enjoy a discount, however limited.



The suburb of Warners Bay* has historically outperformed the wider Lake Macquarie Local Government Area (LGA) in both house and unit median prices. This continues to be the case in 2021#.

The dominant proportion of homes sold in Lake Macquarie* across 2021^ were in the premium price bracket of \$1,000,000 and above (25.5%). Units recorded a dominant middle price point between \$550,000 - \$649,999 (26.7%). Despite there being a large proportion of stock in the premium price brackets in Lake Macquarie, there is still some affordably priced stock available, in good news for buyers.

MARKET COMPARISON

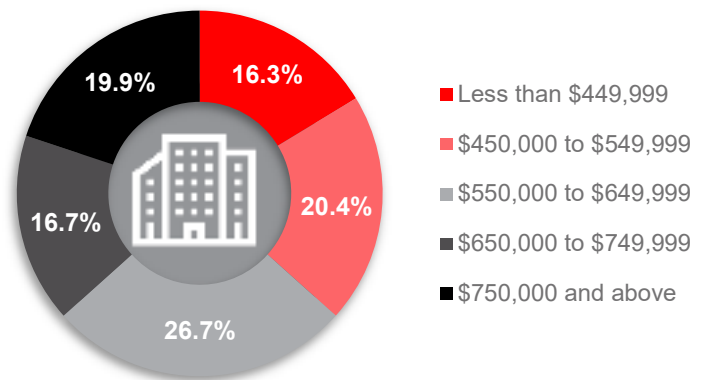
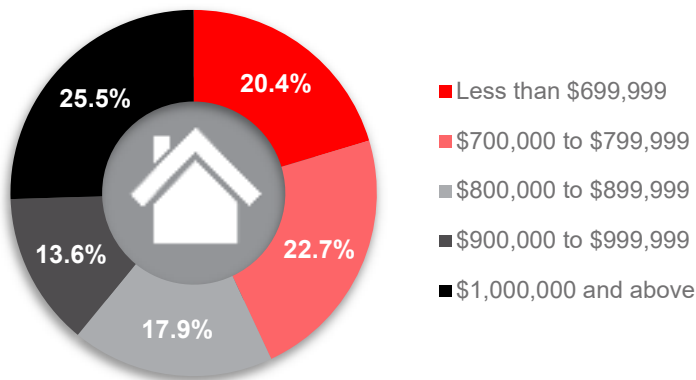


The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Warners Bay.

PRICE BREAKDOWN 2021^

HOUSES SOLD

UNITS SOLD



RENTAL GROWTH 2021€

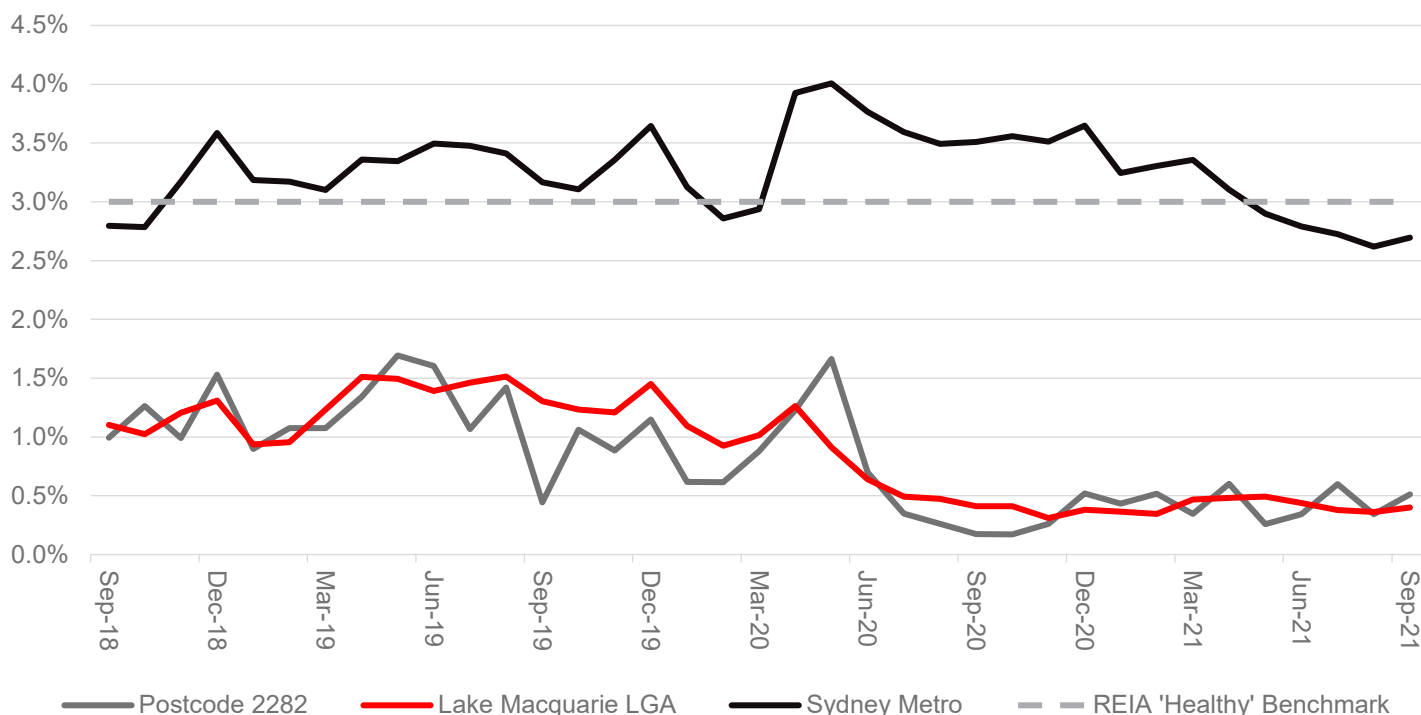
In September 2021, house rental yields in the Warners Bay and Eleebana area - Postcode 2282* - were recorded at 2.4%. In the 12 months to Q3 2021, the median house rental price increased by 16.0% to reach \$580 per week, complemented with average days on the market declining by -6.3% (to 15 days). Despite lower rental yields caused by median house prices outpacing rental price, these figures represents a strong and resilient rental market throughout COVID-19.

3 bedroom houses have provided investors with +12.8% rental growth annually€, with a median rent of \$530 per week.

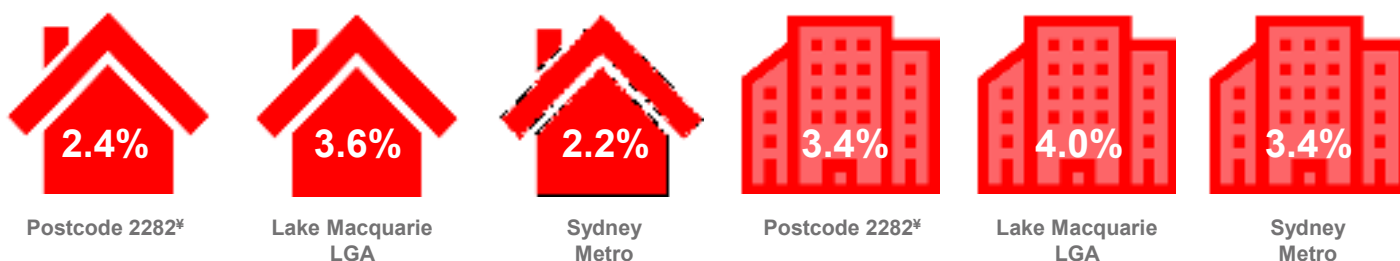
Also in September 2021, Postcode 2282* recorded an extremely low vacancy rate of just 0.5%, on par with the Lake Macquarie LGA (0.4%) and well below Sydney Metro (2.7%). Vacancy rates in Lake Macquarie* have remained low in the past 12 months and remain well below the Real Estate Institute of Australia's healthy benchmark of 3.0%. There is strong ongoing rental demand, suggesting investors can be confident of a conducive investment environment in Lake Macquarie.



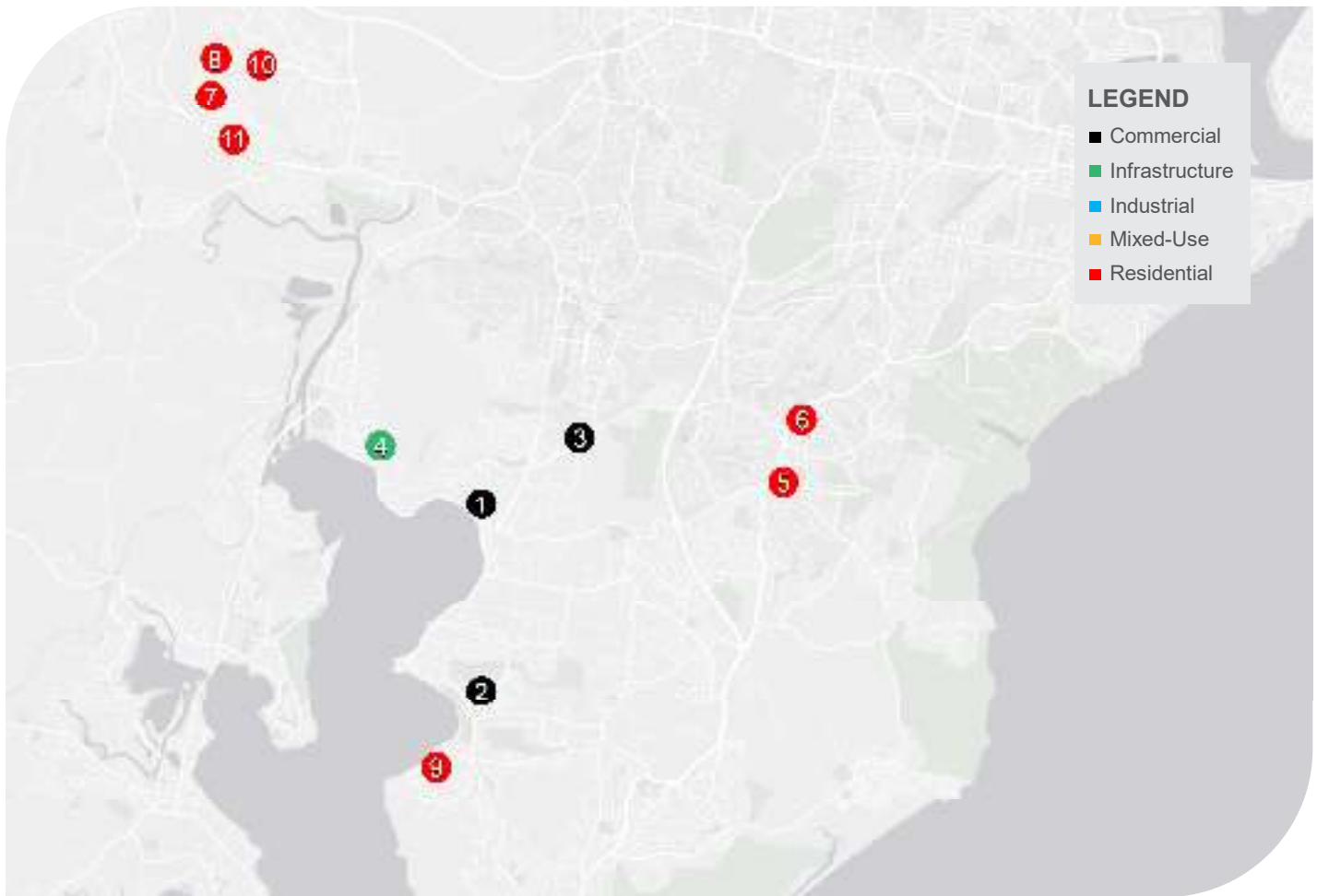
RENTAL VACANCY RATES 2021



RENTAL YIELD 2021\$



TOP DEVELOPMENTS MAP 2ND HALF 2021^A



Location	Project [£]	Type	Estimated Value [£]	Commence Date ^ψ
1	Warrers Bay Hotel	Commercial	\$6,901,000	14/10/2021
2	Calvary St Francis Retirement Village	Commercial	\$6,171,000	06/11/2021
3	Hillsborough Road Recreation Facility	Commercial	\$200,000	06/10/2021
4	Lake Macquarie City Council Fencing	Infrastructure	\$1,000,000	22/07/2021
5	Smith Street Units (34 Units)	Residential	\$8,635,000	17/12/2021
6	Dickinson & Mulbinga Streets Apartments (22 Apartments)	Residential	\$6,932,000	27/08/2021
7	Mckendry Drive Dwellings & Residential Subdivision (24 Dwellings, 24 Lots)	Residential	\$4,800,000	04/12/2021
8	Gaites Drive Dwellings (14 Dwellings)	Residential	\$3,418,000	10/08/2021
9	Berringar Road Units (7 Units)	Residential	\$2,500,000	06/07/2021
10	Portland Drive Residential Subdivision (28 Lots)	Residential	\$2,000,000	15/12/2021
11	Cleveland Street Residential Development (4 Dwellings)	Residential	\$820,000	15/07/2021

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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REFERENCES

* Lake Macquarie market data and key indicators encapsulates aggregate property market conditions within the suburbs of 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.

2021 encapsulates sales transactions for 2021 (01/01/2021 – 30/09/2021) only.

^ 2021 encapsulates sales transactions for 2021 (01/01/2021 – 30/09/2021) only.

€ Annual rental growth is a comparison between 2020 (01/01/2020 – 30/09/2020) and 2021 (01/01/2021 – 30/09/2021) house median rent figures.

¥ Lake Macquarie market data encapsulates aggregate property conditions within the postcode of 2282.

§ Rental yields shown are as reported as of September 2021.

⌘ 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 Warners Bay, Speers Point, Eleebana, Valentine, Cameron Park, and Charlestown.

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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