



NEWCASTLE MARKET UPDATE 2nd Half 2019



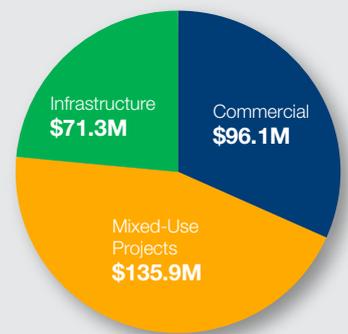
OVERVIEW

In Q3 2019, Newcastle* recorded a median house price of \$717,000, and a median unit price of \$507,500. This represents annual (Q3 2018 – Q3 2019) median price growth of 1.7% for houses and a price softening of -12.5% for units. At the same time total sales improved for Q3 2019, up by 5.9% for houses (to 144 sales) and by 36.6% for units (to 112 sales). Confidence is increasing in Newcastle*, making now an ideal time to transact in the market.

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

FUTURE DEVELOPMENTS

Newcastle* is set to see approximately **\$303.3M worth of new projects commencing in the 2nd half of 2019.**



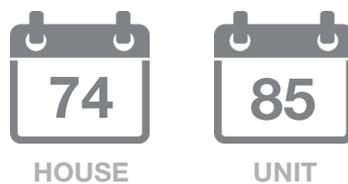
Mixed-use projects will provide Newcastle* with a greater diversity of building stock and new dwellings, whilst commercial and infrastructure projects will provide employment and create the necessary services to allow for population growth. These projects together are expected to have a positive spill-over effect on Newcastle's* property market in the near future.

MARKET CONDITIONS

SALES MEDIAN PRICE Q3 2019



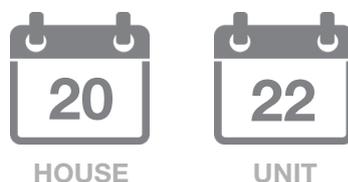
SALES AVERAGE DAYS ON MARKET Q3 2019



RENTAL MEDIAN PRICE Q3 2019



RENTAL AVERAGE DAYS ON MARKET Q3 2019



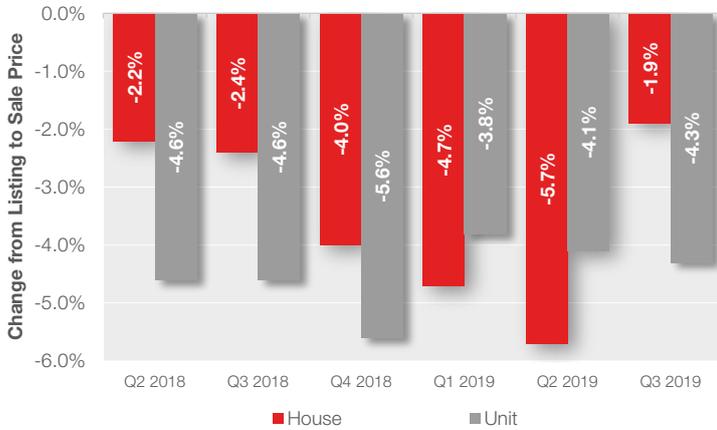
A main commercial project over the 2nd half 2019 period is the Birdwood Business Centre (\$44.0M). The 14-storey building will comprise 8 levels of offices as well as two retail tenancies and a variety of facilities. The \$36.0M mixed-use project Sky Residences is another significant project set to commence which will create 180 apartments over three towers, featuring a rooftop lounge.



*Newcastle market data and key indicators encapsulates aggregate property market conditions within the suburbs Adamstown, Cooks Hill, Mayfield, Merewether, New Lambton and Newcastle.
**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 Pricerfinder, 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.



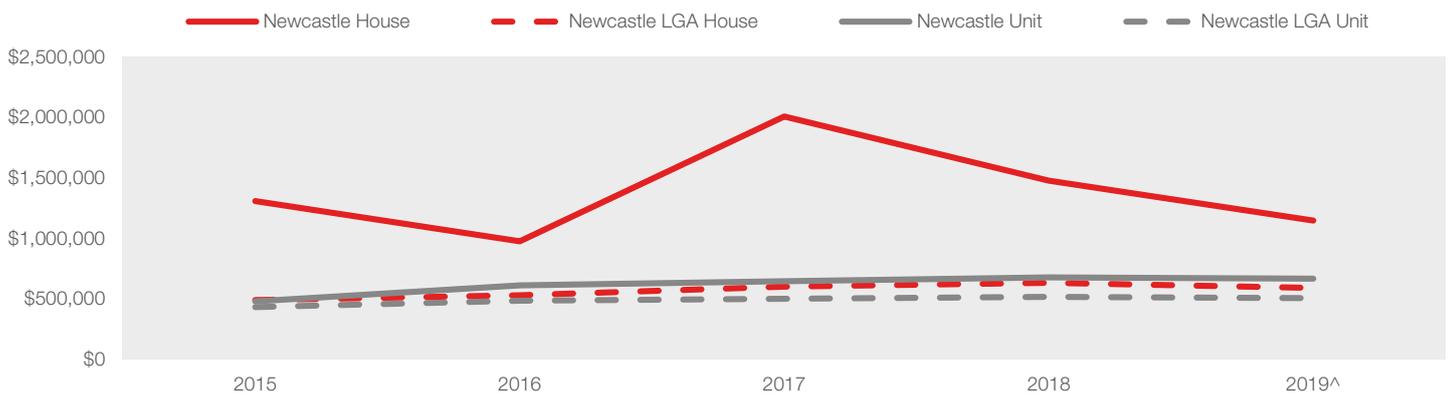
KEY COMMENTS

Average vendor discounts between Q3 2018 and Q3 2019 have tightened for both property types, to -1.9% for houses and -4.3% for units. Market conditions in Newcastle* still continue to favour buyers, with sellers willing to negotiate below their initial listing price. However these discounts have lessened, making now a good time to enter the market.

The suburb of Newcastle has historically outperformed the wider Newcastle Local Government Area (LGA) in both house and unit median prices, by a particularly large margin for houses. This continues to be the case in 2019[^], highlighting the suburb of Newcastle as a premium area in the LGA.

The dominant proportion of homes sold in Newcastle* across 2019[^] were priced above \$850,000 (32.9%). Units recorded a dominant upper-end price point of \$700,000+ (29.1%) over the same period. This reveals an appetite for premium house and unit stock in Newcastle*. Buyers in lower price ranges still have opportunity however, but need to act quickly.

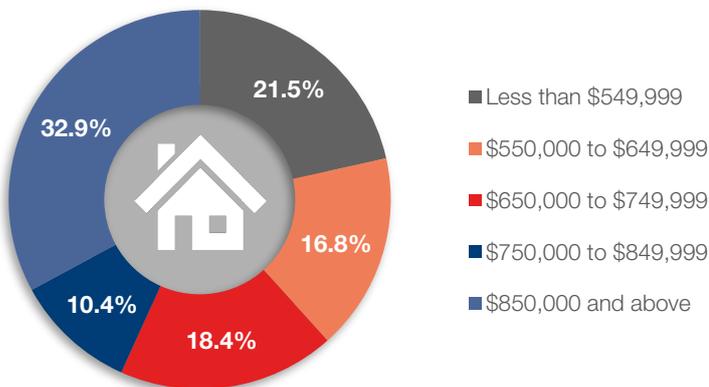
MARKET COMPARISON



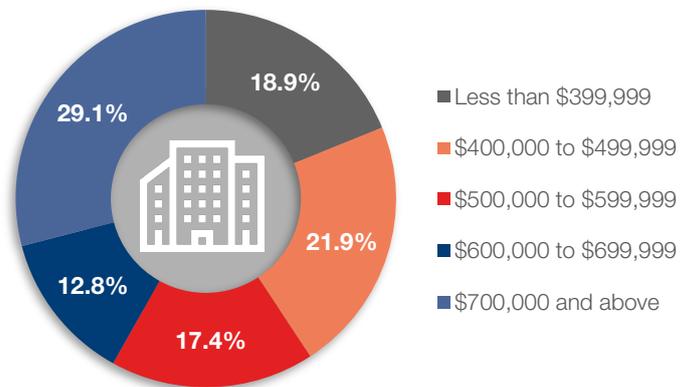
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled were chosen based on their proximity to the main suburb analysed, which is Newcastle.

PRICE BREAKDOWN 2019[^]

HOUSES SOLD



UNITS SOLD



RENTAL GROWTH 2019*

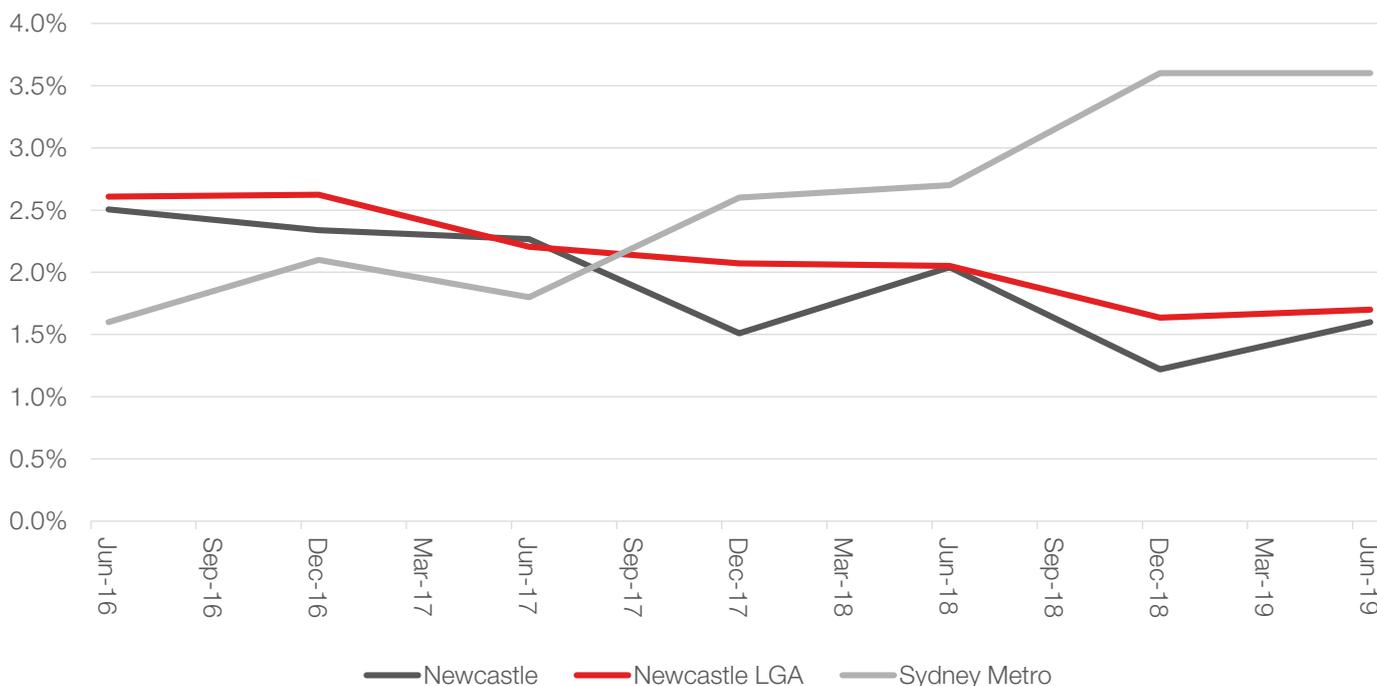
Over the past 12 months, house rental yields in Newcastle* recorded a solid improvement to reach 3.3% in June 2019. This suggests the house rental market is in a healthy position, as does the decrease in average days to let a house rental across the same time period (down by -9.1% to 20 days in the 12 months to Q3 2019).

2 bedroom houses have provided investors with +1.3% rental growth annually, achieving a median rent of \$405 per week.

Newcastle* recorded a vacancy rate of 1.6% in June 2019, which is a very healthy position, particularly when compared to Sydney Metro's 3.5% average. This confirms that there is a healthier rental demand in Newcastle*.



RENTAL VACANCY RATES 2019



RENTAL YIELD 2019^

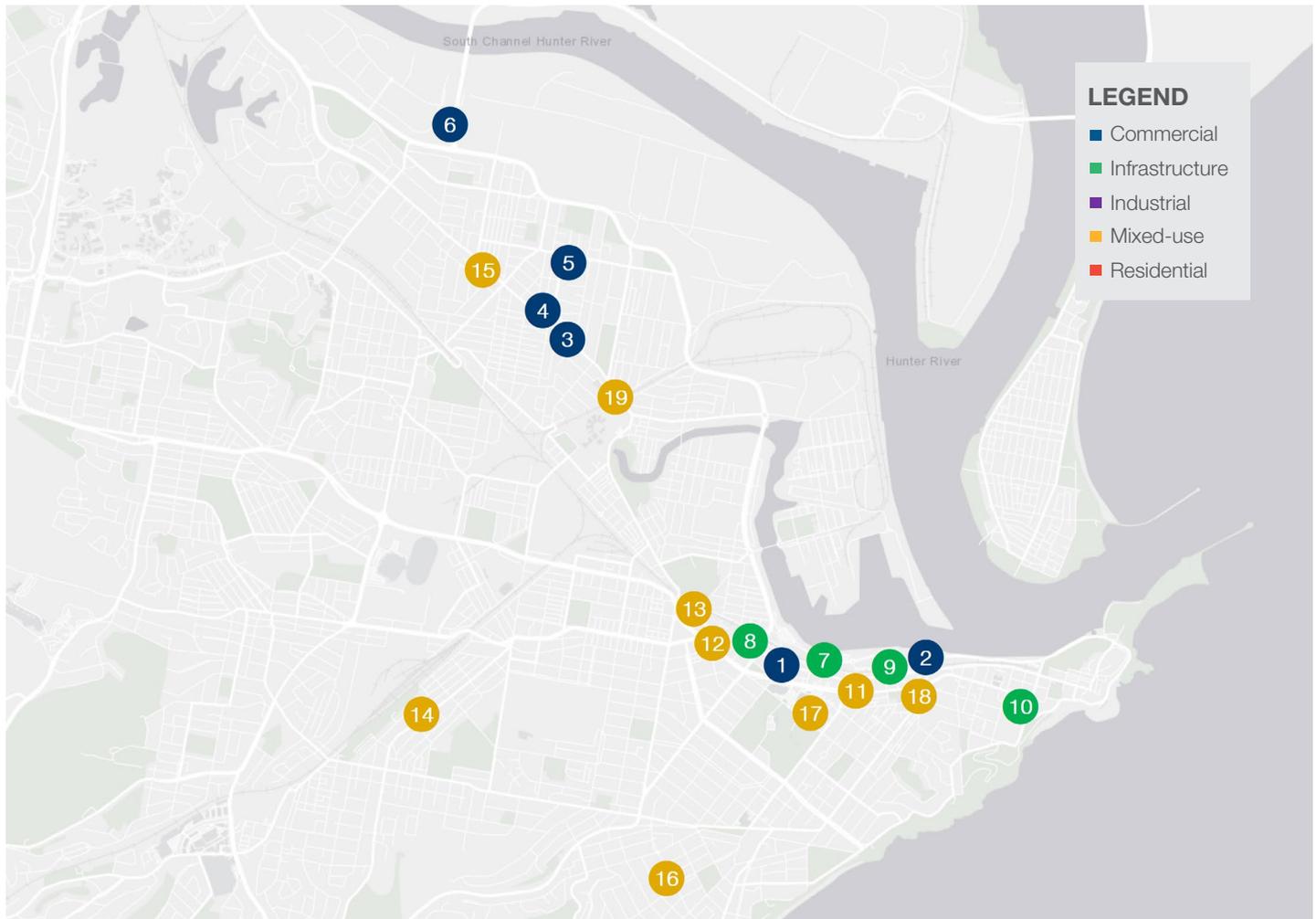


*Rental performance graph represents aggregate house median rent prices within the suburbs Adamstown, Cooks Hill, Mayfield, Merewether, New Lambton and Newcastle. Annual rental growth is a comparison between 2018 and 2019 (Q1 - Q3) house median rent figures.

^Rental yields shown are as reported at June 2019.

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

PROJECT DEVELOPMENT MAP 2ND HALF 2019*



Location	Project**	Type	Estimated Value***	Commence Date****
1	Birdwood Business Centre	Commercial	\$43,997,000	12/08/2019
2	Wharf Road Student Accommodation	Commercial	\$22,481,000	13/12/2019
3	Shopping Centre Mayfield	Commercial	\$17,176,000	09/12/2019
4	McDonalds Mayfield	Commercial	\$4,932,000	15/11/2019
5	Bella Vista Heritage Estate Mayfield	Commercial	\$4,000,000	21/11/2019
6	Murray Dwyer Circuit Storage Premises	Commercial	\$3,500,000	23/10/2019
7	Honeysuckle Drive Development - Huntingdon	Infrastructure	\$41,708,000	16/09/2019
8	Wickham Transport Interchange	Infrastructure	\$20,613,000	16/08/2019
9	Merewether Street Affordable Housing	Infrastructure	\$5,000,000	24/07/2019
10	Federal Court Of Australia	Infrastructure	\$3,971,000	29/11/2019
11	Sky Residences (180 Apartments)	Mixed-use	\$36,000,000	13/09/2019
12	Denison Street Mixed Use Development (74 Apartments)	Mixed-use	\$27,643,000	21/12/2019
13	Hunter St Mixed Development (76 Units)	Mixed-use	\$20,960,000	18/11/2019
14	Brunker Road Mixed Use Development (40 Units)	Mixed-use	\$11,323,000	12/12/2019
15	Eve Garden Apartment (36 Units)	Mixed-use	\$9,935,000	26/08/2019
16	Llewellyn Street Mixed Use Development (12 Apartments)	Mixed-use	\$8,221,000	19/11/2019
17	Hall Street Mixed Use Development (33 Units)	Mixed-use	\$7,800,000	27/10/2019
18	Hunter Street Mixed Use Development (30 Apartments)	Mixed-use	\$7,682,000	14/07/2019
19	Maitland Road & Kerr Street Mixed Use Development (10 Units, 3 Townhouses)	Mixed-use	\$6,309,000	28/10/2019

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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