



FRASER COAST

PROPERTY INDUSTRY

ASSOCIATION



Will Hervey Bay will come out of COVID-19 Better than it went in?

Presented by Glen Winney FCPIA President



Should we keep
the border open
or shut?



Behavioural Economics

Fear & Greed

“A Method of economic analysis that applies psychological insights in human behavior to explain economic decision-making”



▶ **“ Australia has now had a cognitive generational shift in their Behaviour and psyche and people realise they can work remotely and live in regional Australia”**

Glen Winney

Fraser Coast Chronicle 15th August 2020

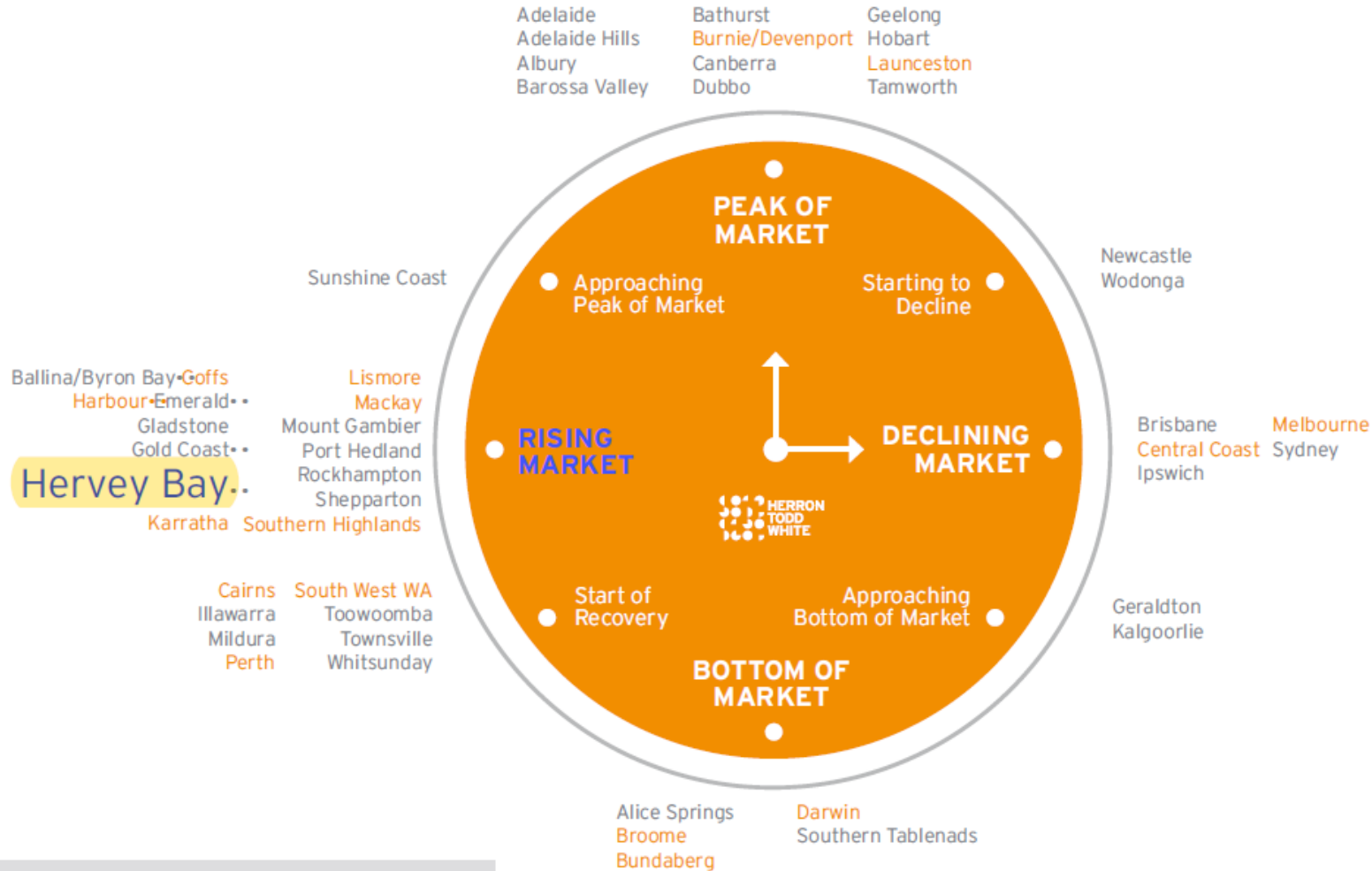


The Property Market, Why Is It So Hot?



National Property Clock: Houses

Entries coloured orange indicate positional change from last month.



Liability limited by a scheme approved under Professional Standards Legislation.
 This report is not intended to be comprehensive or render advice and neither Herron Todd White nor any persons involved in the preparation of this report accept any form of liability for its contents.



Latest Property Rental Figures

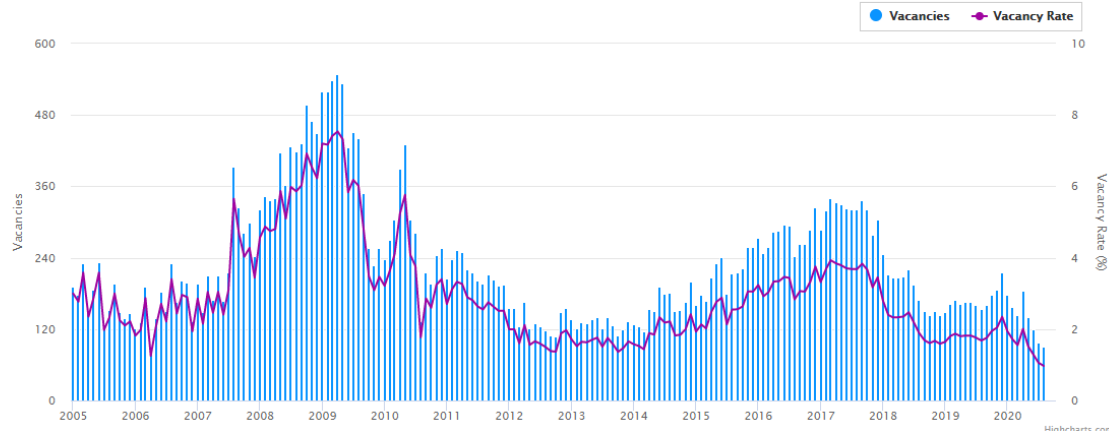
REIQ Figures as at 30th August

RESIDENTIAL VACANCY RATES

POSTCODE 4655

Residential Vacancy Rates

Source: SQM Research



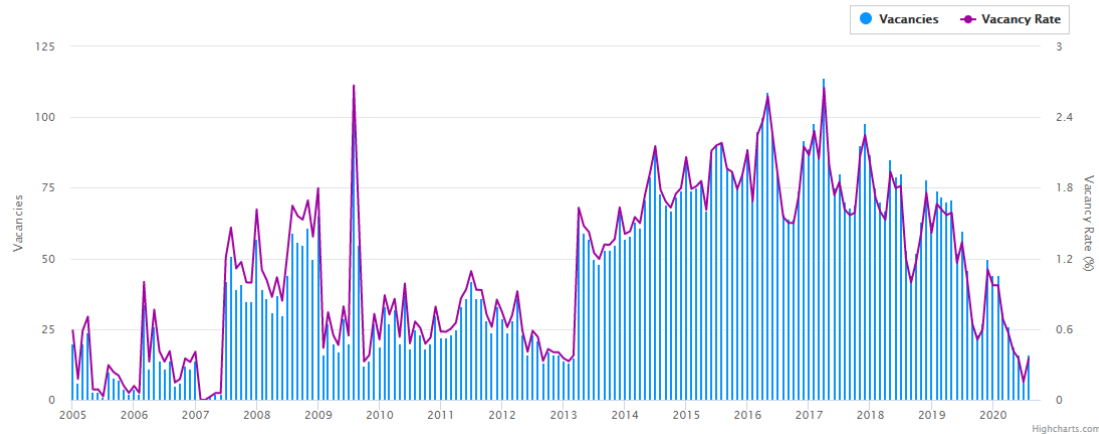
Hervey Bay Vacancy Rate of 1%

RESIDENTIAL VACANCY RATES

POSTCODE 4650

Residential Vacancy Rates

Source: SQM Research



Maryborough Vacancy Rate of 0.4%



Key Elements that is stimulating the property market

- ▶ \$25,000 Home builders Grant (Plus \$15,000 First home owners & \$5000 regional area government grant)
- ▶ Job Security in the area
- ▶ More medical than national average
- ▶ Job Seeker we have higher unemployment & pensioner - All getting a bonus
- ▶ Drive market - Tourism
- ▶ Feeling of safety in the regional centres
- ▶ Confidence in our market



Fundamental Changes on the Way! Is the Fraser Coast Ready for it?



Demographic Snapshot

 **106,796** residents in Fraser Coast¹

82% of residents

In Fraser Coast reside in Hervey Bay or Maryborough¹



23,730 new residents are expected to live in Fraser Coast By 2041²



Rapidly aging population



27.1% → **36.1%** of population will be over 65³ by 2041⁴

Aged dependency ratio

48% 2x that of QLD⁴



Fraser coast is a Popular destination for older Australians



1 in 3* residents who lived at a different address prior to 2016 are over 50⁵

New residents primarily locate⁶ along the eastern and northern coasts



Hervey Bay **37.9%** Outer SA2s **29.0%**

of residents lived at a different address between the most recent censuses⁷

Fraser Coast is home to a large proportion of residents with a disability

1 in 10

residents require assistance for a profound or severe disability*¹¹



2x that of QLD*

Lower household income

\$906 < **\$1,402**
Fraser Coast QLD

Compared to QLD, residents have a lower median household income¹⁰

Lower educational attainment

Due to older population, lower regional completion rates⁸




Higher unemployment compared to QLD

8.7% Unemployment rate⁹


Compared to 6.1% for QLD and has been as high as 12.5% in the last decade.




Housing Snapshot

The most common family type is **couple families with no children**  representing **more than 50%** of households, higher than in broader QLD (39.4%) and reflective of the region's relatively older demographic age profile¹.

The most common household types in Fraser Coast are

One family households  **68.1%** and

Lone person households  **26.9%**

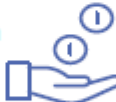
In line with broader QLD¹.

Population growth has encouraged an expansion in the housing market in the last decade: The majority of dwellings are separate houses

82% > **74%**
in Fraser Coast in QLD 


with relatively less attached houses.

4% < **13%**
in Fraser Coast in QLD 

Rental prices for a four bedroom home have been **steadily increasing**  since March 2018

The median weekly rental price is **\$380** **\$50 less** in Fraser Coast, than broader QLD.

Higher weekly rent in Hervey Bay than Maryborough⁴. **\$400** > **\$333**

A large proportion of dwellings are owned outright. 

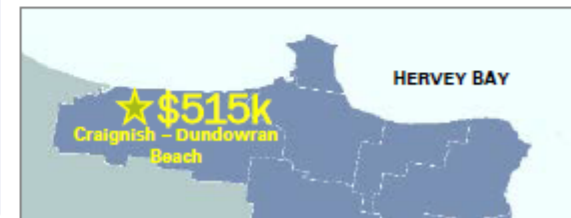
39% > **28%**
in Fraser Coast in QLD³

Median sale price for land with an attached or detached dwelling

\$321k **\$134k less**  in Fraser Coast, than in QLD

Higher prices are observed in Hervey Bay.

Craignish – Dundowran Beach recorded the highest median sale price of \$515k, \$45k above the state median⁵.



Sources: 1 – ABS Census of Population and Housing, 2016. *General Community Profile - G25*, 2 – ABS Census of Population and Housing, 2016. *B31 Dwelling Structure*, 3 - ABS Census of Population and Housing, 2016. *B32 Tenure Type and Landlord Type by Dwelling Structure*, 4 – Residential Tenancies Authority, December 2019. *Rental Bonds data (Queensland Government Statistician's Office derived)*, 5 - Department of Natural Resources and Mines, Office of the Valuer-General, September 2019. *Property Sales*.



Industry snapshot

Large Health Care and Social Assistance Industry

 **\$477m** GVA
Largest industry in the region by GVA.¹

Largest employer in the region: **5,544** persons employed² 

Services a significant local demand base of elderly and disabled residents:

1 in 10 require assistance for a profound or severe disability*³  **27.1%** of population are over 65⁴

The region is dominated by small businesses.

59.0% sole traders 
27.1% 1-4 employees² 

Construction and Manufacturing






 **\$429m** GVA

 **\$260m** GVA

are other key industries in the region¹

1 in 3 businesses in the region operate in construction or agriculture.*²

Tourism is a significant value generator and employer in the region.

   **\$436m** GVA 
Fraser Island and whale watching are major tourism attractions. **5,035** people employed  **845** businesses⁶

Hervey Bay and Maryborough are the centres of employment for the region's service industries.



Tourism and Agriculture are the key employers outside of urban localities⁵.

The economic contribution of Tourism is growing healthily 

5.9% Average annual GVA growth since 2013/14

4.9% Average annual spend growth since 2013/14



QLD GOVERNMENT REGIONAL RECOVERY PLAN

The Queensland Government has committed more than \$8 billion to support COVID-19 health and economic recovery initiatives across the State.

\$500M

in **electricity and water bill relief**, with a \$200 rebate for households, and a \$500 rebate for eligible small business and sole traders

\$90M

for **jobs and skills**, including funding for the Back to Work, Skilling Queenslanders for Work and Reef Assist programs

\$400M

land tax relief for property owners which must be passed onto tenants in the form of rent relief

\$267M

building boost to support home owners, 'tradies' and construction, including a **\$5,000 regional home building grant**

Support for Wide Bay region's small businesses includes:



Up to **\$950M**

in **payroll tax relief**, supporting **16,600 jobs** in the Wide Bay region



\$32M

in **Job Support Loans** of up to \$250,000 for 220 businesses supporting 2,637 jobs



\$2.2M

in **248 Small Business Adaption Grants** of up to \$10,000 in the Wide Bay region



Fraser Coast Population Forecast

The Fraser Coast Regional Council population forecast for 2020 is 107,703, and is forecast to grow to 138,433 by 2041.

The Fraser Coast Regional Council population and household forecasts present what is driving population change in the community and how the population, age structure and household types will change each year between 2016 and 2041.

The forecasts are designed to provide community groups, Council, investors, business, students and the general public with knowledge to make confident decisions about the future.

Population 2020

107,703

forecast.id

Population 2041

138,433

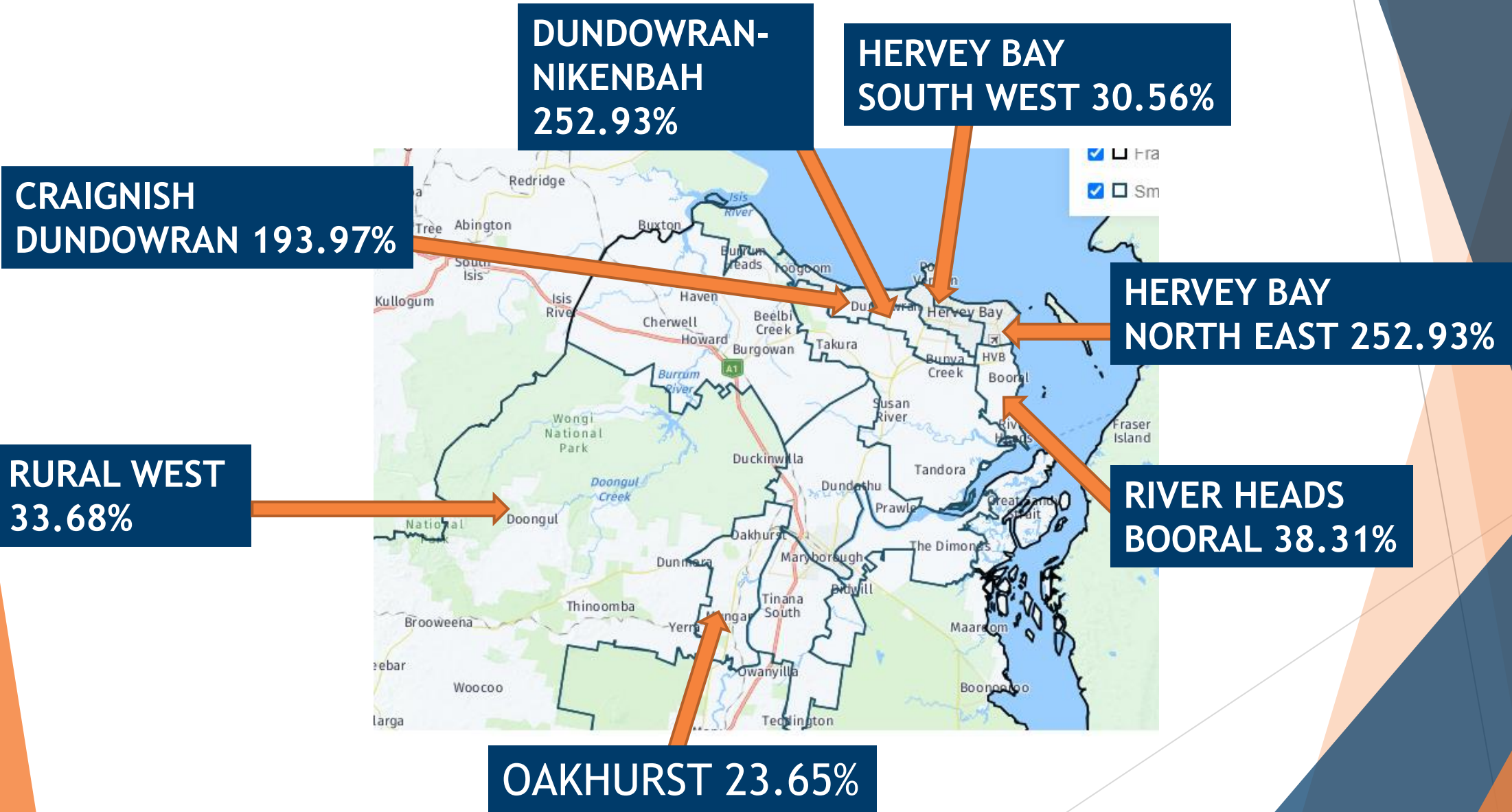
forecast.id

Change 2020-41

28.53%

forecast.id

Growth Corridors



Key Elements

Why Hervey Bay

- Location
- Weather
- Accessibility
- Opportunity
- Liveability



Opportunities

- ▶ Migration - People leaving capital cities
- ▶ Growth - Stimulates the economy
- ▶ New Jobs - Health, trades, education, tourism
- ▶ Affordability - we re still well under state averages
- ▶ Health - The fastest growing industry
- ▶ Selling Hervey Bay as a safe place to live and play
- ▶ A united positive marketing



Challenges

Dealing with Growth

Infrastructure

Job Security
Skilled Workers

Higher
Unemployment

Misleading
Statistics

Economic Cliff

Aging Population

Rental Accommodation

Trolls

- Don't under estimate the negative impact they are having on marketing

Marketing

- not consistent



Q & A



THANK YOU

For more information on FCPIA please head to
our website

www.fc pia.com.au

