

CHAMBER OF COMMERCE BREAKFAST

February 2023

Presented by Glen Winney

DID COVID-19 TURN THE TIDES FOR HERVEY BAY'S REAL ESTATE MARKET?

FRASER

FEAR AND GREED



“Also known as Behavioral Economics which is a Method of economic analysis that applies physiological insights in human behavior to explain economic decision-making”



THE PROPERTY CLOCK

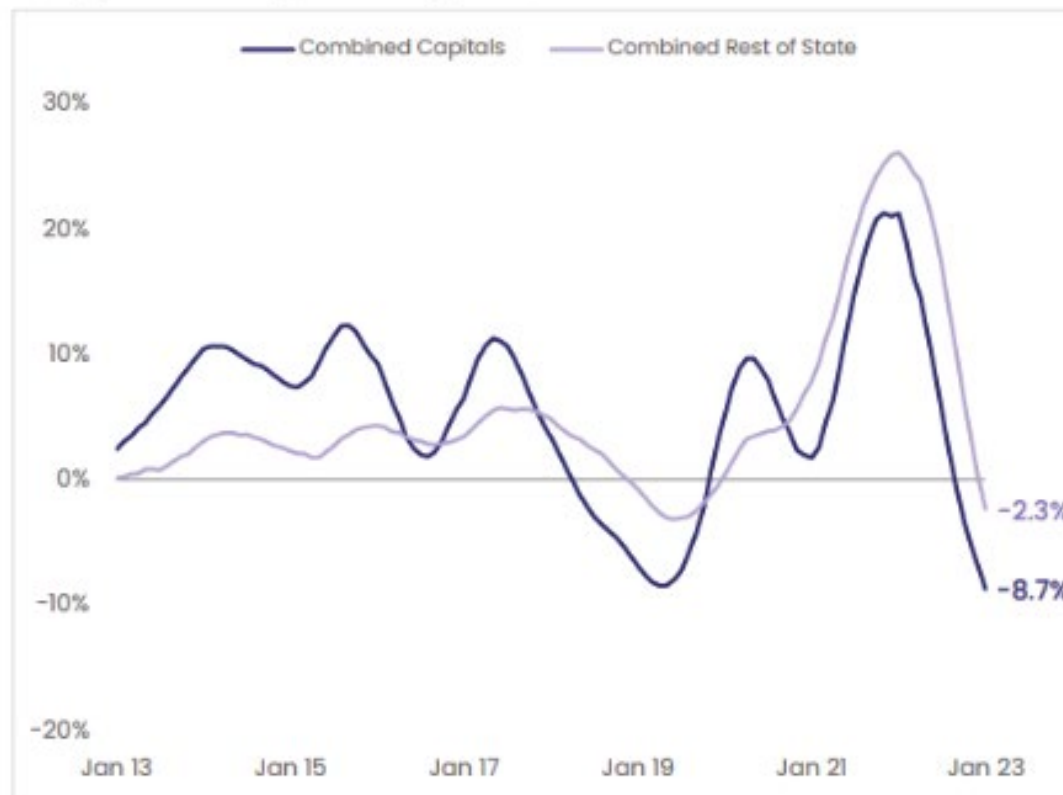
AUSTRALIAN DWELLING VALUES

12 month changes

Change in dwelling values, twelve months to January 2023



Rolling annual change in dwelling values



Australian dwelling values

Overview

3 MONTHS

-3.2%

National home values fell -3.2% in the three months to January, a smaller decline than in the three months to December.

12 MONTHS

-7.2%

Dwelling values in Australia are -7.2% lower over the past 12 months, the largest annual decline since May 2019.

National

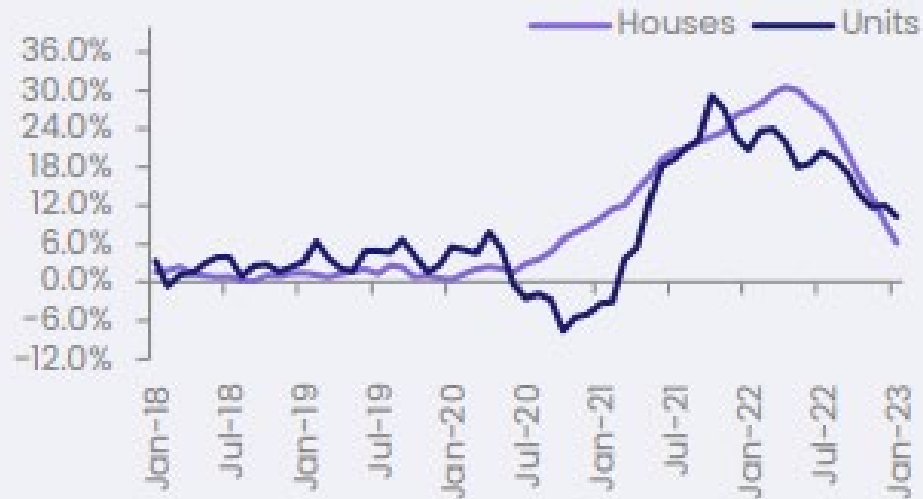
The monthly pace of decline eased through January

January saw national home values decline -1.0%, reaffirming an easing in the rate of decline since the -1.6% fall recorded in August.

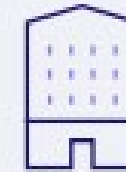
Market slows, but values holding

Home Value Index January 2023

The change in house and unit values over the year to January 2023 is recorded at:



HOUSES
6.2%



UNITS
10.2%

Upper
quartile **3.0%**

11.1%

Lower
quartile **12.7%**

9.9%

Median
Value **\$497,776**

\$365,275

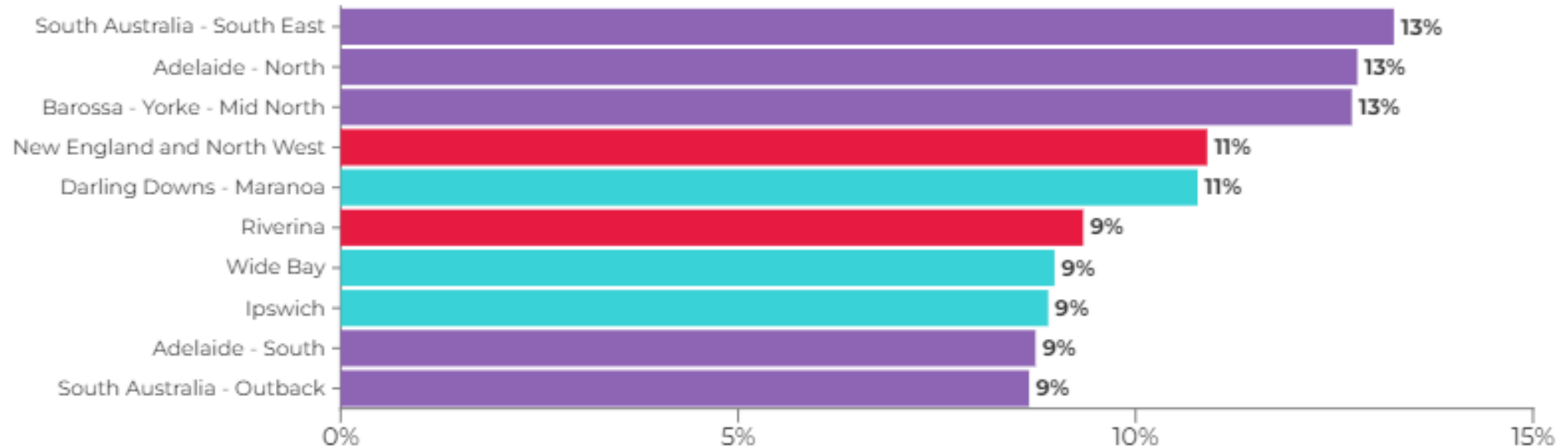


GROWTH REGIONS

Highest Growth Regions

Year to January 2023, all dwellings

■ NSW ■ QLD ■ SA



Source: PropTrack · Regions shown are defined by ABS' SA4 standards.



KEY COMPONENTS DRIVING THE SUCCESS OF THE LOCAL REAL ESTATE MARKET



Improved Economy



Resumed International Migration



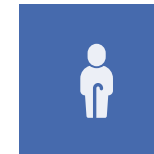
Flexible Work-Life Balance



Ongoing Building Boom



Investors Re-entering the Market



Growing Aged Population



Sustainable Growth



Lifestyle Shift in Australia

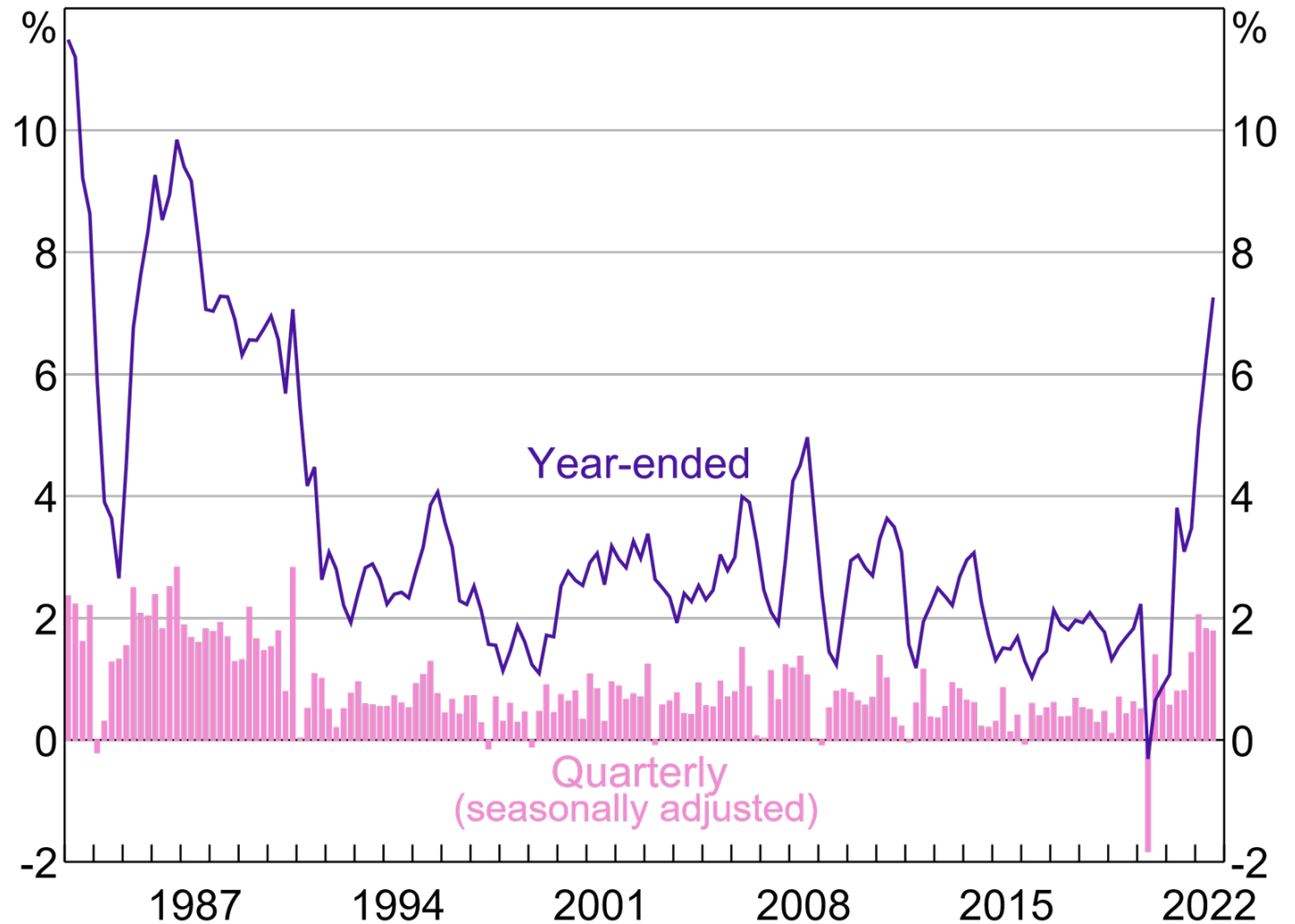


Stable Economy with a High Percentage of Health Workers

INFLATION

Current
Inflation rate
7.8%

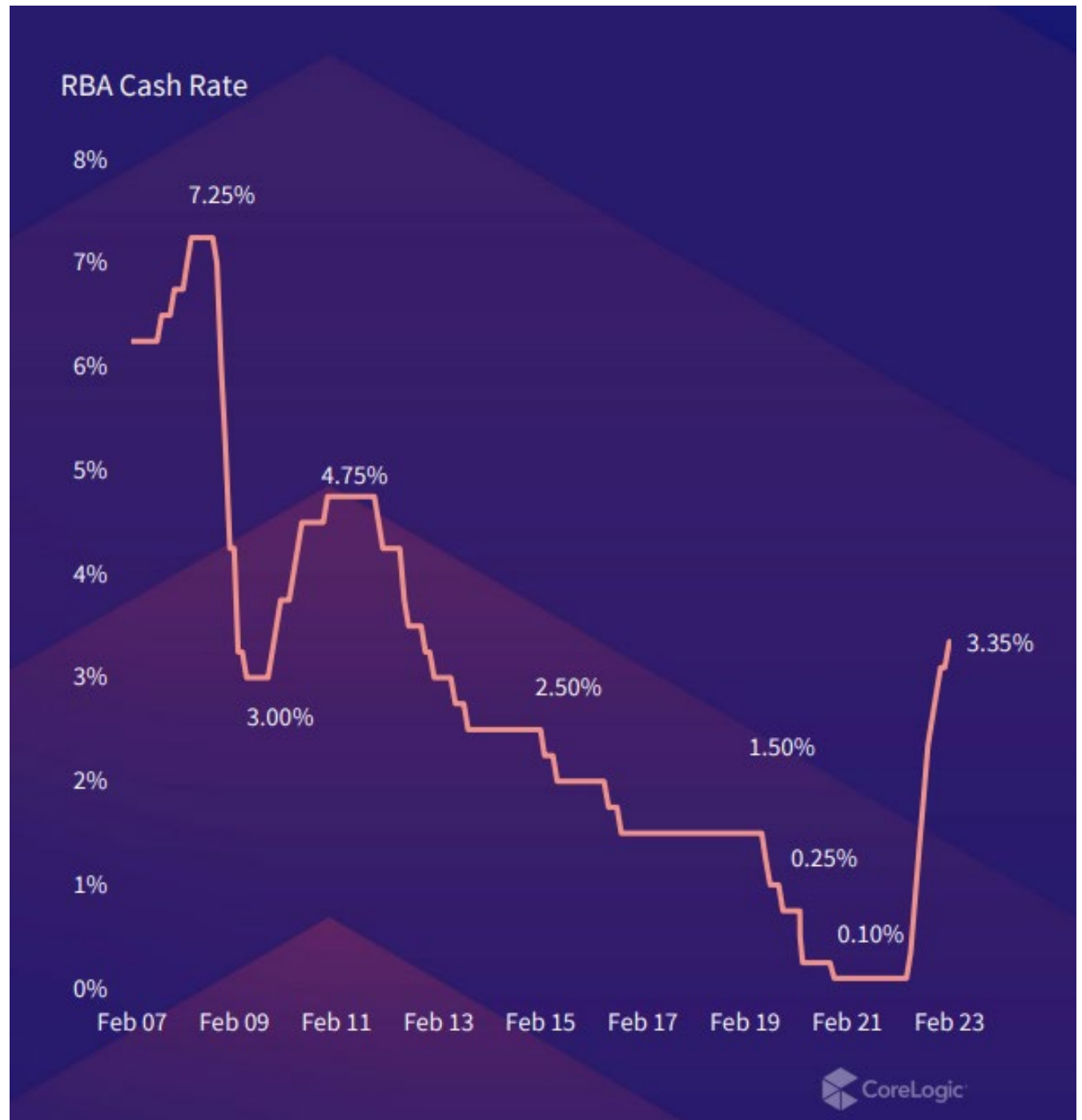
Consumer Price Inflation*



* Excludes interest charges prior to the September quarter 1998; adjusted for the tax changes of 1999–2000.

INTEREST RATES

Current base interest rate
3.35%



KEY STATISTICS

POPULATION

Growth Projection

- 31,900 extra people
- 28.45% growth from 2021 to 2041 (31,900 by 2041)
- 1,595 new people per year
- 14,000 new households

Housing Needs

- Over 700 new housing products a year
- Over 14,000 new households by 2041

Aging Population

- Average age of 51
- Need for diverse housing options

Growth Corridors

- Craginsh – Dundowran - over 8,000
- Nikenbah growth corridor - over 4,800
- Hervey Bay North east corridor - over 4,700
- Hervey Bay South West corridor - over 6,100

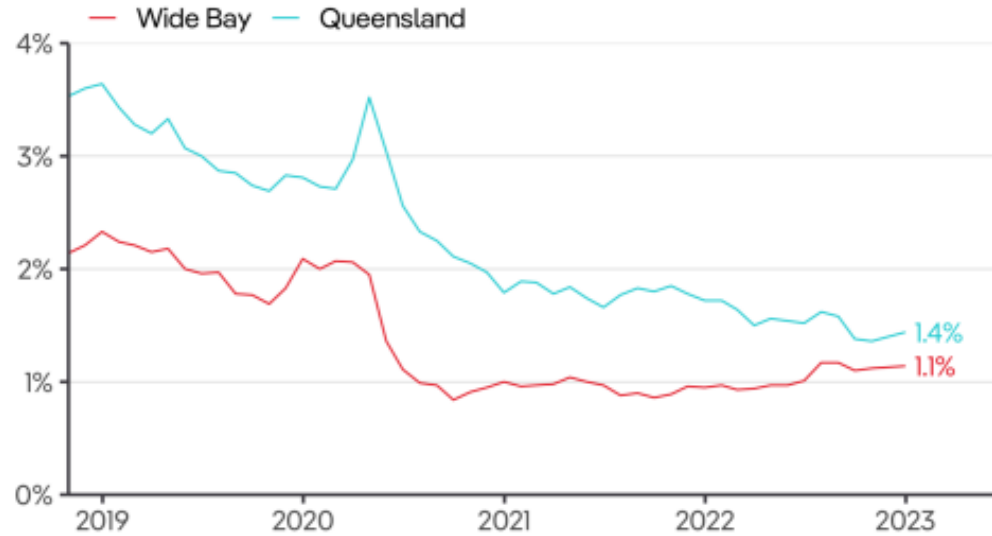
Population Growth

Population summary							
Fraser Coast Regional Council	Forecast year					Change between 2021 and 2041	
Area	2021	2026	2031	2036	2041	Total change	Avg. annual % change
Fraser Coast Regional Council	112,111	120,367	129,122	137,076	144,011	+31,900	+1.26
Booral - River Heads	3,714	3,977	4,298	4,670	4,978	+1,264	+1.48
Burrum Heads - Toogoom	5,204	5,617	5,945	6,116	6,232	+1,028	+0.91
Craignish - Dundowran Beach	4,525	5,774	7,609	9,988	12,957	+8,432	+5.40
Dundowran - Nikenbah Growth Area	2,329	4,056	6,346	7,364	7,196	+4,867	+5.80
Fraser Island - Great Sandy Strait	1,659	1,693	1,734	1,751	1,795	+136	+0.39
Glenwood and District	2,461	2,632	2,808	2,985	3,161	+700	+1.26
Granville and surrounds	3,150	3,176	3,299	3,490	3,505	+355	+0.54
Hervey Bay - North East	31,320	32,942	34,261	35,150	36,041	+4,721	+0.70
Hervey Bay - South West	20,672	21,957	23,153	25,046	26,779	+6,107	+1.30
Howard - Torbanlea - Pacific Haven district	3,698	4,063	4,216	4,390	4,571	+874	+1.07
Maryborough Central-North	17,993	18,191	18,407	18,580	18,782	+789	+0.21
Oakhurst - Yengarie and District	2,992	3,280	3,565	3,765	3,914	+922	+1.35
Rural West	1,024	1,138	1,217	1,298	1,364	+340	+1.44
Sunshine Acres - Walligan - Takura district	2,165	2,245	2,322	2,406	2,491	+326	+0.70
Tiaro - Bauple and District	2,215	2,316	2,446	2,578	2,727	+512	+1.05
Tinana and District	6,990	7,311	7,497	7,497	7,516	+527	+0.36

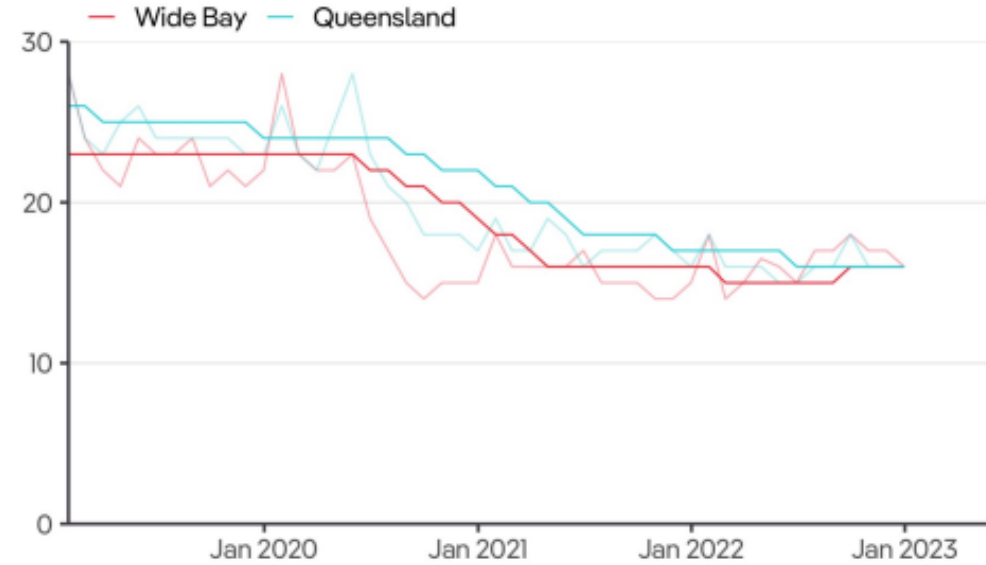
Rental conditions remain extremely tight

VACANCY RATES

Rental Vacancy Rates

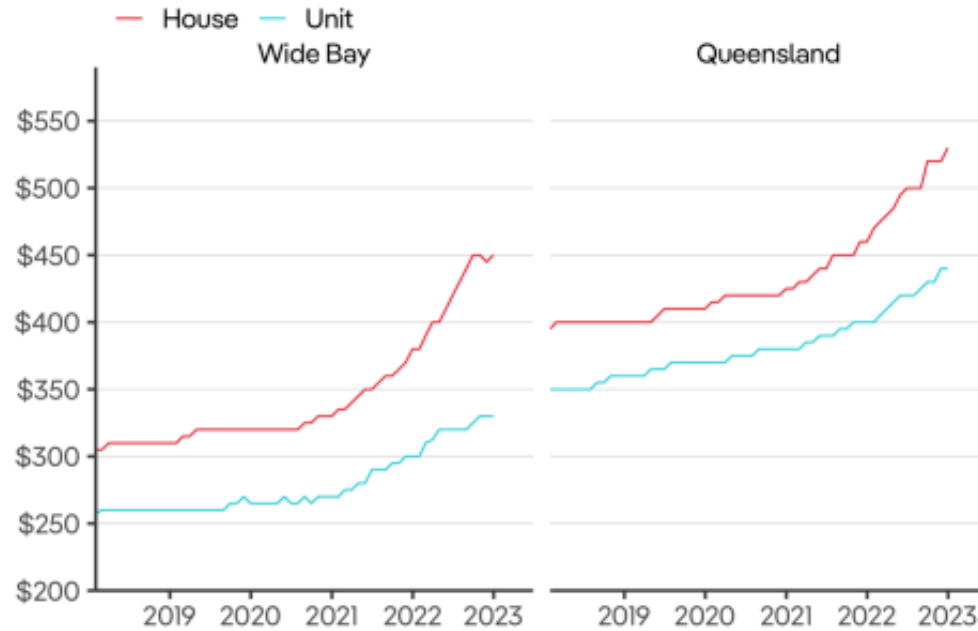


Median rental days on market



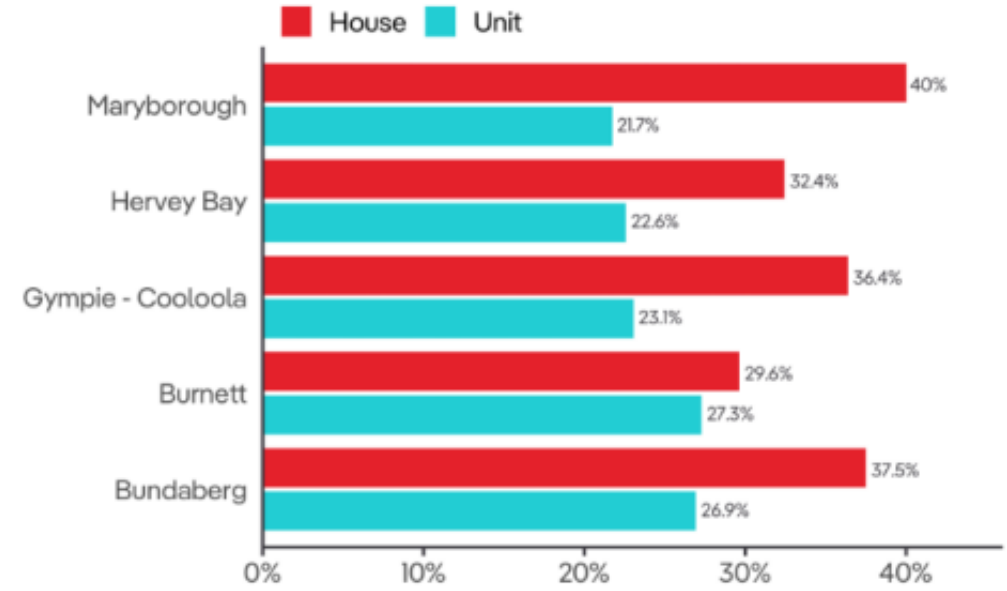
RENTAL PRICES & INCREASES

Median advertised rents



Change in median advertised rents

December 2022 compared to March 2020



PropTrack

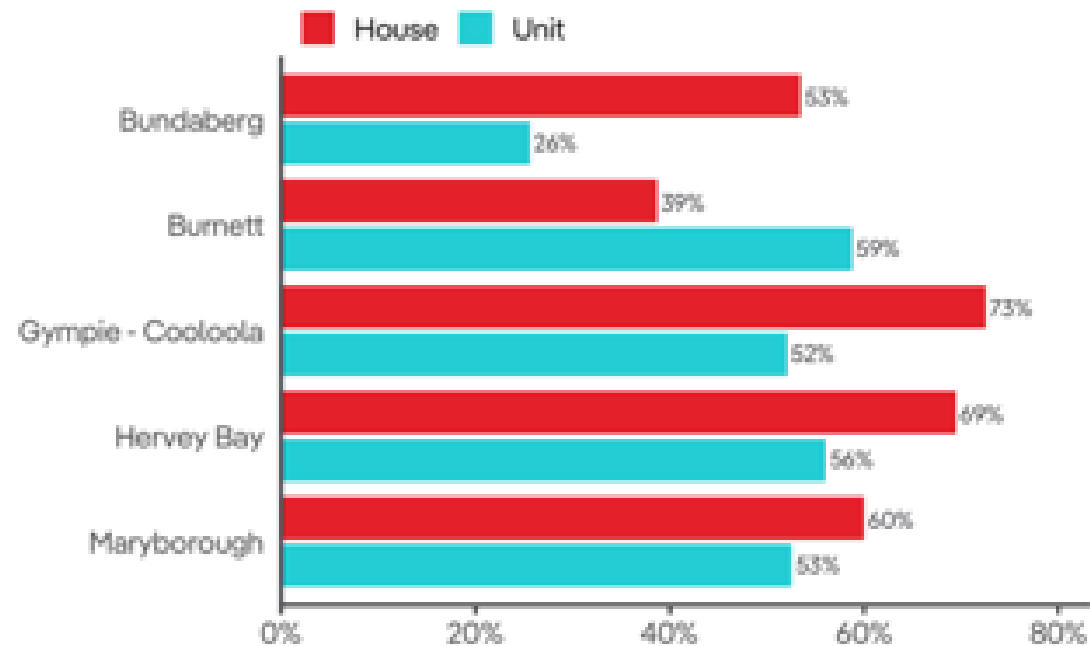
MEDIAN PRICE CHANGES

69%
Increase

Prices will not retract very much

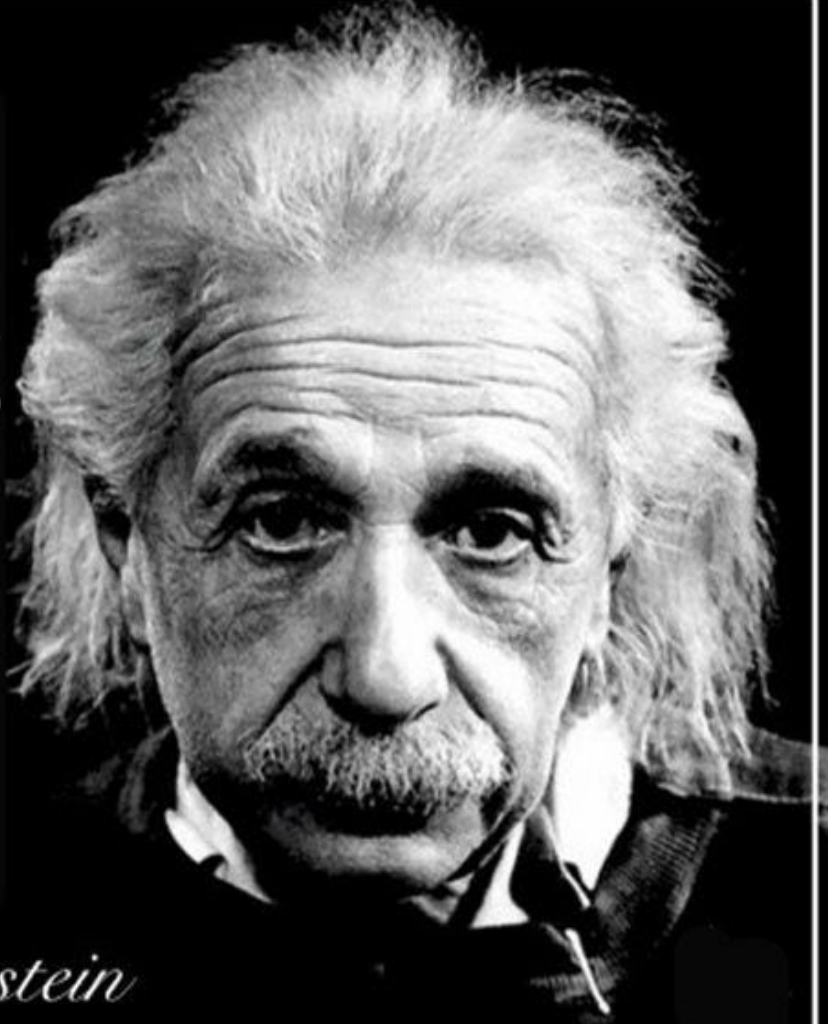
Median price changes since the pandemic

March 2020 to December 2022



Insanity:
doing the same thing
over and over again
and expecting
different results.

- Albert Einstein





**THE ONLY CONSTANT IN LIFE IS CHANGE, AND THE SAME HOLDS TRUE FOR
CITIES AND SOCIETIES. IT'S TIME TO BREAK AWAY FROM THE COMFORT OF
THE PAST AND EMBRACE THE UNKNOWN POSSIBILITIES OF THE FUTURE**



JOBS, JOBS, JOBS

Population Expansion Fuels Job Growth in Diverse Sectors Including Industrial, Health, Building, Tourism, Hospitality, and Retail

INFRASTRUCTURE IS THE KEY TO OUR FUTURE



Council Chambers / Library



Retail (ride the wave of change)



Urangan Marina and surrounding areas



Health Care Facilities
(level 5 hospital)



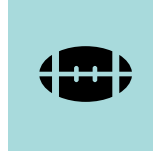
Hervey Bay Airport Service Expansion



Road Infrastructure
Bruce Highway
Urraween Rd
Traffic Lights
Ring Road



Esplanade Enhancement & Parking



Fraser Coast Sports and Recreational Precinct

“Infrastructure sets the stage for progress; let us take the lead in shaping the future of our city”

QUESTIONS





FCRC CEO KEN DIEHM

Presentation and Q&A:

With Ken Diehm, Gerard Carlyon and James Cockburn

3rd March 2023, Beach House Hotel 12PM-2.00PM

INCLUDES MAIN COURSE

Ticket Price: FCPIA Members - \$45.00*

Non Members- \$60.00*



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