

NEWCASTLE CBD

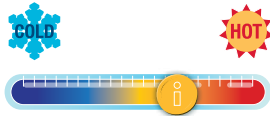


Newcastle is 160km northeast of Sydney at the mouth of the Hunter River, and is known for having the largest coal-exporting harbour in the world. As well as the large coal deposits in the area, Newcastle is home to a metropolitan population of around 155,000 people. The City of Newcastle LGA has prioritised revitalisation of the city centre. The Hunter New England Area Health Service and the University of Newcastle are the two largest single employers. The National Stock Exchange of Australia is also based in Newcastle.

KEY INDICATORS



INFRASTRUCTURE INVESTMENT



Port expansion, road and railway enhancements and industrial growth make this one of Newcastle's strengths.



POPULATION GROWTH



Some 160,000 new residents (roughly half of the greater city's current size) are expected in Greater Newcastle by 2031.



PROJECTED RENTAL GROWTH



Population growth and demand for smaller dwellings signal positive rental growth.



DIVERSITY OF ECONOMY



Newcastle offers a full range of services tilted toward industrial support.



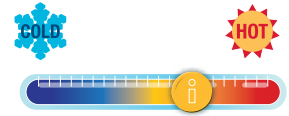
SUPPLY & DEMAND



The city will require double the number of units over the next 20 years.



VACANCY RATES



Already-strong demand for inner-city stock is getting stronger. The current vacancy rate in the CBD area is 1.7%.



PROJECTED CAPITAL GROWTH



The CBD is the demand segment within this NSW industrial muscle city. Capital growth will be consistently good.



ESTIMATED RENTAL YIELDS



The strong trend towards smaller dwellings supports growth in yields from a base of about 5% currently.



AFFORDABILITY



The CBD is an expensive and relatively exclusive part of the city.



COUNCIL PLANNING



Newcastle council has forward-looking development policies, but it needs to improve certain systems.

WHY IT'S HOT

Newcastle is shaking its old 'steel town' image without losing its roots in the coal industry. In fact, the world's largest coal export port continues to expand but is now complemented by growing health, education and tourism sectors. With a strong trend towards smaller dwellings and urban renewal spreading, the Lower Hunter Regional Strategy calls for around double the number of smaller dwellings in the city over the next 20 years.

-NextHotSpot

Parts of NSW's Hunter region are expanding nicely, and commercial activity in Newcastle's CBD, the gateway to the area, should benefit handsomely. Rental yields on units are among the best you will get within 1-2km of a major city's CBD, and this alone should be enough to pique investor interest.

-Your Investment Property

STATS & FACTS

- World's largest coal export port – current annual target is 119 million tonnes
- Australia's seventh-largest urban conglomerate after mainland state capitals and the Gold Coast
- Regional strategy expects 66,000 jobs to be created by 2031
- This will equate to an additional 166,000 residents
- 115,000 additional dwellings are expected to be needed by 2031
- Unit demand in inner Newcastle is expected to double over that time
- Current level of housing indicates a growing undersupply
- Newcastle University is expected to expand to 40,000 students by 2020

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