

Introduction

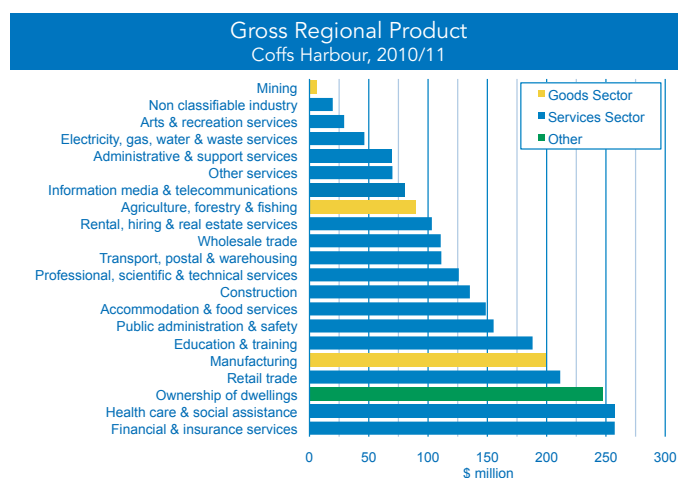
The Coffs Economic Update is a quarterly publication produced by the Coffs Harbour City Council Economic Development Unit, and aims to provide key economic and business indicators relating to the local economy.

A summary of recent statistical indicators demonstrates that the Coffs Harbour economy has experienced solid growth in the property and labour markets and tourism industry. Key highlights of the local economy include:

- The Gross Regional Product (GRP) for Coffs Harbour was estimated at \$2.9 billion in 2010/11. Coffs Harbour experienced annual growth in real GRP of 4.4% in 2010/11, higher than the average for New South Wales (2.2%);
- The estimated number of employed persons in Coffs Harbour increased strongly by 8.5% over the year to the September Quarter 2011;
- The median sales price for all dwellings in Coffs Harbour increased by 3.7% to \$347,000 in the June Quarter 2011;
- The average gross rental yield for separate houses in Coffs Harbour was 4.9% in the June Quarter 2011, whilst the yield for units was 4.5%; and
- Tourism capacity in the region increased over the year to the June Quarter 2011, with an annual rise of 3.2% in the number of bed spaces available in hotels, motels & serviced apartments with 15 or more rooms.

Gross Regional Product

The Gross Regional Product (GRP) for Coffs Harbour was estimated at \$2.9 billion in 2010/11, representing a real increase of 4.4% from the level in 2009/10, which was higher than the growth rate for New South Wales (2.2%). Coffs Harbour contributed 24.9% and 0.7%, respectively, to the gross regional / state products of the Mid-North Coast region (\$11.6 billion) and New South Wales (\$438.5 billion) in 2010/11.



With regard to industry, the largest contributions were made by the Financial & Insurance Services (8.9% of the total GRP), Health Care & Social Assistance (also 8.9%), Retail Trade (7.3%) and Manufacturing (6.9%) sectors.

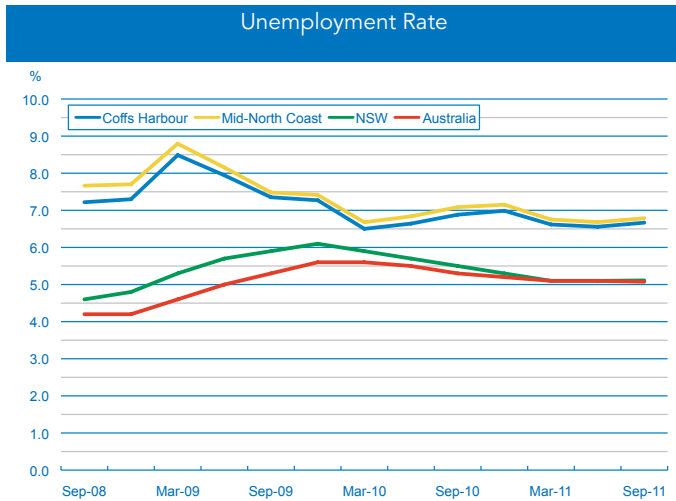
Summary of Key Economic Indicators

	Period	Level	Qtrly % chg	Ann % chg
Population				
Estimated Resident Population	2010	72,827	n.a.	1.7%
Consumer Price Index				
Sydney CPI – All Groups	Sep Qtr 2011	178.8	0.7%	3.7%
Employment				
Employed persons (no.)	Sep Qtr 2011	32,121	0.7%	8.5%
Unemployment rate (%) ^(a)	Sep Qtr 2011	6.7	0.1%	-0.2%
Labour force (persons)	Sep Qtr 2011	34,416	0.8%	8.2%
Private Consumption				
No. of dwelling approvals	Sep Qtr 2011	57	-16.2%	-28.8%
Value of dwelling approvals (\$'000)	Sep Qtr 2011	20,768	-15.4%	-14.7%
Value of non-dwelling approvals (\$'000)	Sep Qtr 2011	6,532	-58.5%	-14.1%
Property Market				
Median sales price – all dwellings (\$)	Jun Qtr 2011	347,000	3.7%	0.6%
Median weekly rent – 3bd house (\$)	Sep Qtr 2011	345	-1.4%	1.5%
Tourism				
Hotels, motels & serviced apartments, 15+ rooms (no.)	Jun Qtr 2011	39	0.0%	0.0%
Bed spaces (no.)	Jun Qtr 2011	4,757	-2.8%	3.2%
Room occupancy (%): (a)	Jun Qtr 2011	50.8	-6.7%	0.8%
Takings from accommodation (\$'000)	Jun Qtr 2011	7,563.5	-24.0%	0.2%
Petrol Prices				
Average price of petrol (c/kL)	October 2011	146.9	3.1%	19.6%

Note: (a) Changes are percentage point changes.

Labour Market

The unemployment rate for Coffs Harbour was 6.7% in the September Quarter 2011, which represented an annual decrease of 0.2 percentage points over the level recorded in the September Quarter 2010.



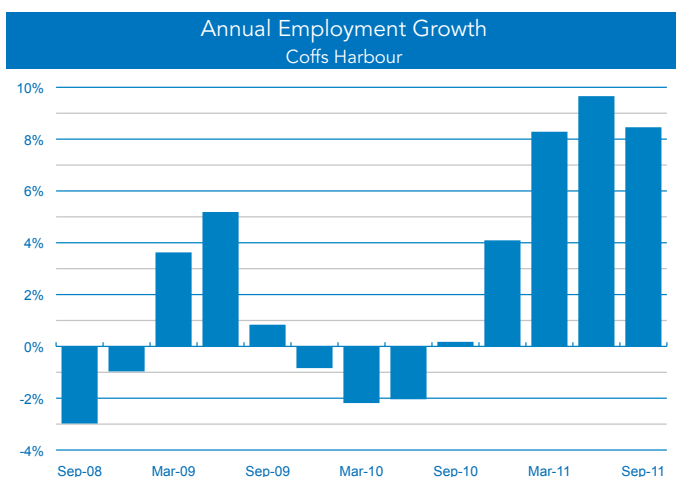
Source: DEEWR, Lawrence Consulting

The estimated number of employed persons in Coffs Harbour increased by 0.7% to 32,121 in the September Quarter 2011. Coffs Harbour also recorded significant annual employment growth of 8.5% over the year to the September Quarter 2011.

	Level Sep Qtr 2011	Qtrly % chg	Ann % chg
Employed persons (no.)	32,121	0.7	8.5
Unemployed (no.)	2,295	2.5	4.8
Unemployment rate ^(a) (%)	6.7	0.1	-0.2
Labour force (no.)	34,416	0.8	8.2

Note: (a) Unemployment rate changes are percentage point changes. Labour market data has been reclassified based on ASGC 2006.
Source: DEEWR, Lawrence Consulting

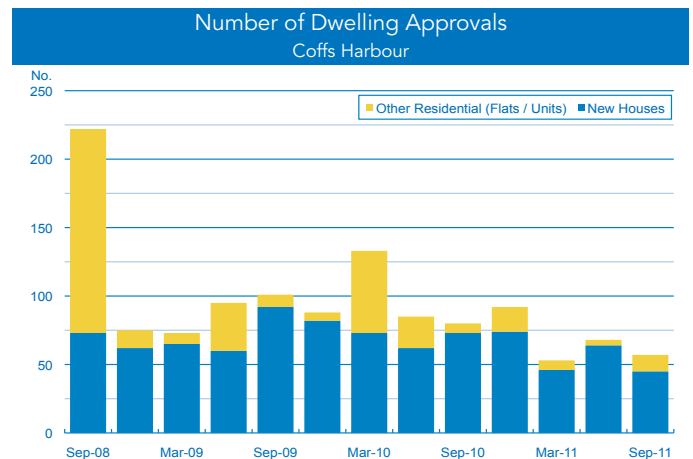
The strong annual increase in the number of employed persons in Coffs Harbour contributed to a rise of 8.2% in the total labour force, to a level of 34,416 persons in the September Quarter 2011. The number of unemployed persons in Coffs Harbour also increased annually by 4.8%.



Source: DEEWR, Lawrence Consulting

Building Approvals

The total number of residential building (or dwelling) approvals in Coffs Harbour was 270 in the year to September 2011, representing an annual decrease of 30.1%. The total value of dwelling approvals in the year to September 2011 was approximately \$89.4 million, a decrease of 18.9% from the level recorded in the year to September 2010 (\$110.3 million).

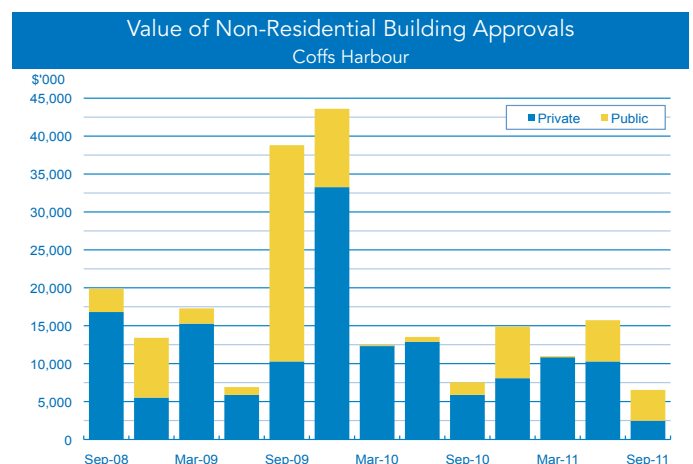


Source: ABS 8731.1

	Level – Sep Qtr 2011	Ann % chg	Level – Yr to Sep-11	Ann % chg
Number				
Dwellings:	57	-28.8	270	-30.1
New houses	45	-38.4	229	-21.0
Other dwellings	12	71.4	41	-57.3
Value (\$'000)				
Dwellings:	20,768	-14.7	89,438	-18.9
New houses	12,125	-34.1	63,767	-13.8
Other dwellings	3,824	127.8	9,840	-52.7
Alts & adds	4,820	13.0	15,833	1.8
Non-dwelling	6,532	-14.1	48,102	-37.7
Total building	27,299	-14.6	137,540	-26.7

Source: ABS 8731.1

The total value of non-residential building approvals in Coffs Harbour was approximately \$48.1 million in the year to September 2011, which represented an annual decrease of 37.7% from the level recorded in the year to September 2010 (\$77.2 million).



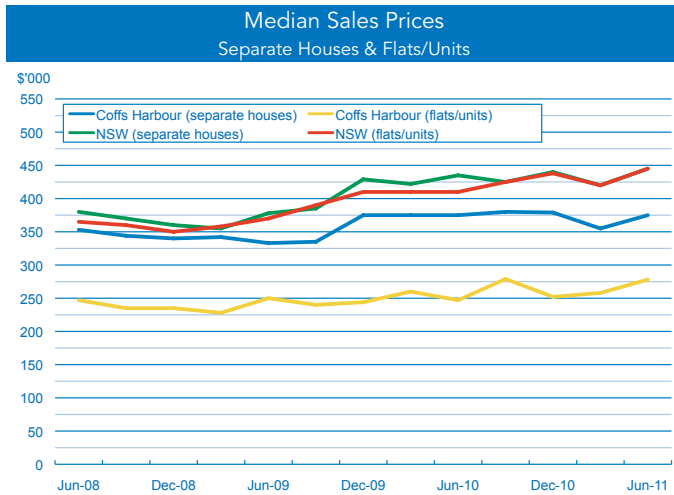
Source: ABS 8731.1

PROPERTY & INVESTMENT



House Prices

The median sales price for all dwellings in Coffs Harbour was \$347,000 in the June Quarter 2011, representing a small annual increase of 0.6%. The median price for separate houses and flats / units in Coffs Harbour were \$375,000 and \$278,000, respectively, in the June Quarter 2011.



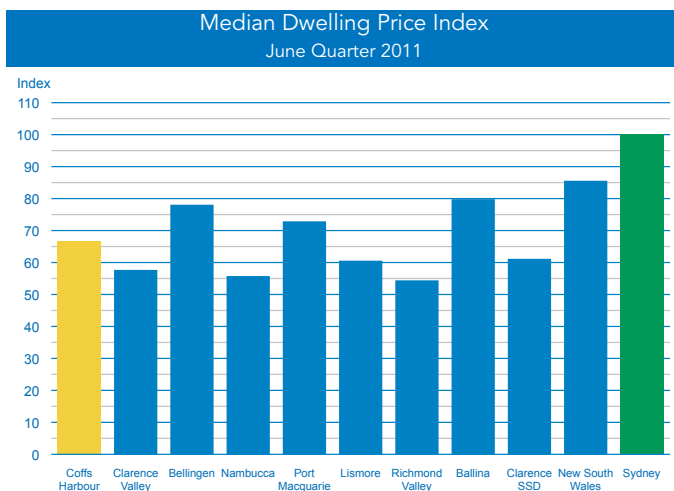
Source: NSW Department of Housing

The median sales prices for all dwelling types in Coffs Harbour were lower than the averages for New South Wales in the June Quarter 2011.

	Coffs Harbour		New South Wales	
	Level Jun Qtr 2011	Ann % chg	Level Jun Qtr 2011	Ann % chg
All dwellings	347,000	0.6	445,000	1.1
Separate houses	375,000	0.0	445,000	1.0
Flats & units	278,000	9.9	445,000	2.3

Source: NSW Department of Housing

The median dwelling price index for Coffs Harbour in the June Quarter 2011 was 66.7 when compared to Sydney (index of 100), which was lower than the index value for New South Wales (85.6).



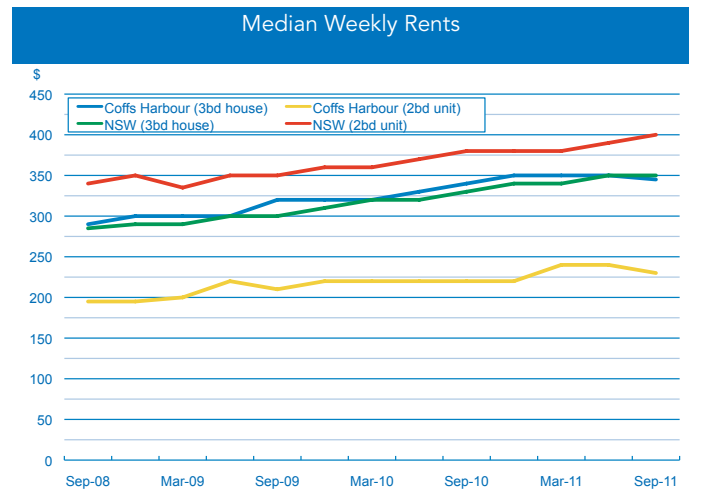
Source: NSW Department of Housing, Lawrence Consulting

Median Weekly Rents

Rental prices for three bedroom separate houses in Coffs Harbour increased annually by 1.5% to \$345 in the September Quarter 2011, while rental prices for two bedroom units rose by 4.5% to \$230.

	Coffs Harbour Level Sep Qtr 2011	Ann % chg	New South Wales Level Sep Qtr 2011	Ann % chg
Separate Houses				
Two bedroom	285	n.a.	300	7.1
Three bedroom	345	1.5	350	6.1
Flats and Units				
One bedroom	210	n.a.	380	8.6
Two bedroom	230	4.5	400	5.3

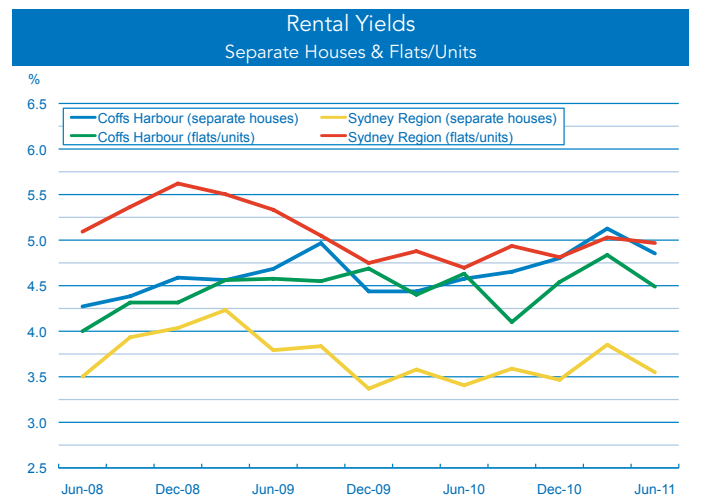
Source: NSW Department of Housing



Source: NSW Department of Housing

Rental Yields

The average gross rental yield for separate houses in Coffs Harbour was 4.9% in the June Quarter 2011, whilst the yield for units was slightly lower (4.5%). By comparison, the average yields for the Sydney region were 3.5% and 5.0%, respectively, for houses and units in the June Quarter 2011.



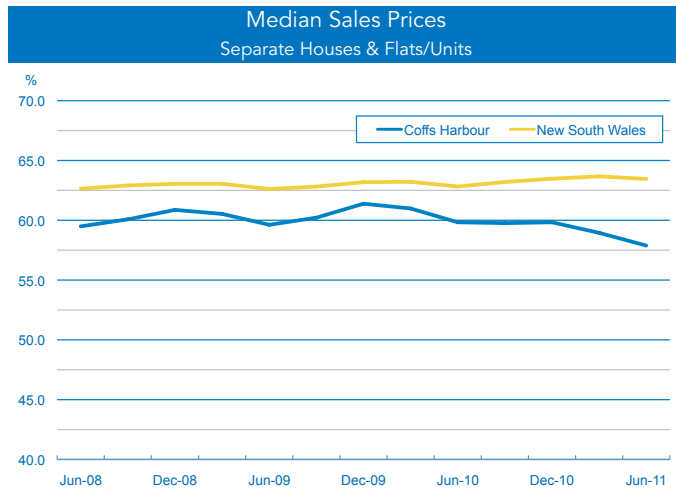
Source: NSW Department of Housing, Lawrence Consulting

MAJOR INDUSTRY & INCOME



Tourism

The room occupancy rate for all establishments with 15 or more rooms in Coffs Harbour was 50.8% in the June Quarter 2011, which represented a small annual increase of 0.8 percentage points from the rate for the June Quarter 2010.

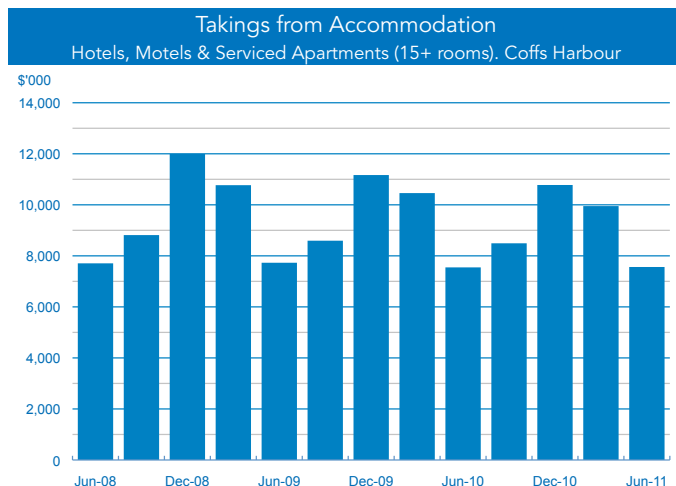


Source: ABS Survey of Tourist Accommodation

Total takings from accommodation in Coffs Harbour were \$7.6 million in the June Quarter 2011, which represented a slight annual increase of 0.2% from the previous year. Average length of stay rose annually by 5.6% to 1.9 nights in the June Quarter 2011.

Tourist Accommodation				
Hotels, Motels & Serviced Apartments (15+ rooms)	Level Jun Qtr 2011	Qtrly % chg	Ann % chg	
Establishments	39	0.0	0.0	
Guest Rooms	1,448	-1.5	-2.2	
Bed Spaces	4,757	-2.8	3.2	
Employment	662	-11.6	1.5	
Room occupancy (%)	50.8	-6.7	0.8	
Room nights	66,968	-12.0	-0.6	
Guest arrivals	69,681	-12.8	-3.8	
Guest nights	134,090	-15.3	4.5	
Average stay (nights)	1.9	-5.0	5.6	
Takings from accommodation (\$'000)	7,563.5	-24.0	0.2	
Takings per unit night occupied (\$)	112.94	-13.6	0.8	

Source: ABS Survey of Tourist Accommodation



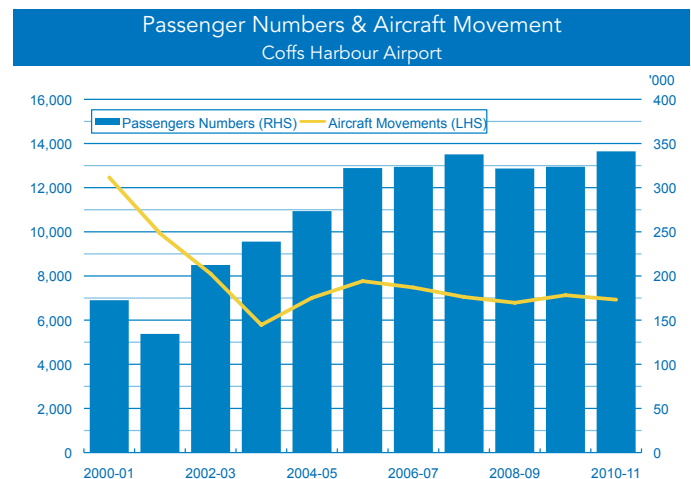
Source: ABS Survey of Tourist Accommodation

Tourism capacity in the region increased over the year to the June Quarter 2011, with an annual rise of 3.2% in the number of bed spaces available in hotels, motels & serviced apartments with 15 or more rooms.

Air Travel

In 2010/11, the terminal at Coffs Harbour Airport recorded 341,116 passenger movements, representing an annual increase of 17,429 passengers, or 5.4% from the level recorded in 2009/10 (321,678 passengers).

Annual passenger movements through Coffs Harbour Airport have increased at an average annual rate of 1.1% since 2005/06. Total aircraft movements at Coffs Harbour Airport amounted to 6,928 in 2010/11, representing a small annual decrease of 2.3%.



Source: Bureau of Transport & Regional Economics

Aircraft & Passenger Movements, Coffs Harbour Airport			
	Level 2010/11	Level 2009/10	Ann % chg
Passenger movements	341,116	323,687	5.4
Aircraft movements	6,928	7,129	-2.8

Source: Bureau of Transport & Regional Economics

For More Information



coffs harbour city council

Economic Development Unit
Coff Street, Coffs Harbour, NSW 2450
Telephone: (02) 6648 4087
Facsimile: (02) 6648 4951
Email: coffs.council@chcc.nsw.gov.au
Website: www.coffsharbour.nsw.gov.au

Prepared by:



PO Box 2567, Toowoomba Q 4350
P +61 7 4613 0206 M 0437 180 566
E reuben@lawrenceconsulting.com.au W www.lawrenceconsulting.com.au