



# coffs economic update

EDITION 12 - MARCH 2011

## Introduction

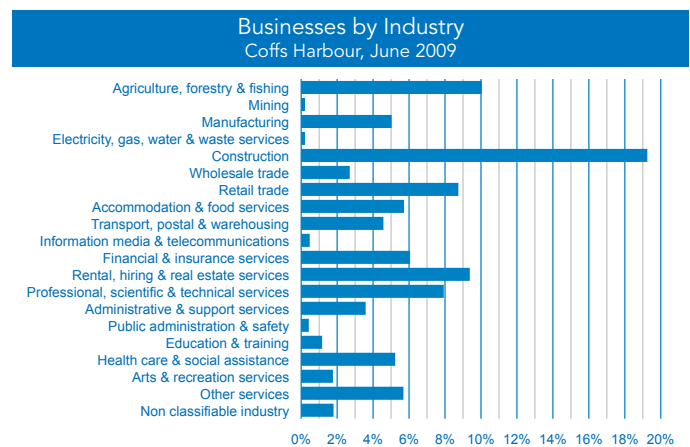
The *Coffs Economic Update* is a quarterly publication produced by the Coffs Harbour City Council Economic Development Unit, and aims to provide key economic and business indicators relating to the local economy.

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

- A population level of 72,827 persons in 2010, representing an annual increase of 1,222 persons, or 1.7%;
- The Gross Regional Product (GRP) for Coffs Harbour was estimated at \$2.6 billion in 2009/10;
- The unemployment rate for Coffs Harbour has fallen by 0.5 percentage points over the previous twelve months to 6.9% in the September Quarter 2010;
- The median sales price for all dwellings in Coffs Harbour rose annually by 12.3% to \$348,000 in the September Quarter 2010;
- Quarterly increases in the number (up 15.0%) and value of dwelling approvals (up 9.7%) in the December Quarter 2010; and
- Quarterly increase of 5.4 percentage points in the occupancy rates for hotels, motels & serviced apartments with 15 or more rooms in the September Quarter 2010.

## Businesses by Industry

The most recent ABS Australian Business Register indicated there were 5,662 businesses operating in Coffs Harbour in June 2009. With regard to industry, the Construction sector was the largest in Coffs Harbour, accounting for 19.3% of the total number of businesses, followed by Agriculture, Forestry & Fishing (10.0%), Rental, Hiring & Real Estate Services (9.4%) and Retail Trade (8.7%).



Source: ABS 8165.0

The estimated total turnover of all industry in Coffs Harbour was \$2.8 billion in 2008/09, whilst the average turnover of all businesses was approximately \$492,100. The largest proportion of businesses recorded annual turnover in the \$0-\$99,999 range (45.8%), followed by the \$200,000-\$499,999 (19.9%) and \$100,000-\$199,999 (17.4%) turnover ranges.

## Summary of Key Economic Indicators

	Period	Level	Qtrly % chg	Ann % chg
<b>Population</b>				
Estimated Resident Population	2010	72,827	n.a.	1.7%
<b>Consumer Price Index</b>				
Sydney CPI – All Groups	Dec Qtr 2010	173.1	0.3%	2.4%
<b>Employment</b>				
Employed persons (no.)	Sep Qtr 2010	29,616	1.8%	0.2%
Unemployment rate (%) <sup>(a)</sup>	Sep Qtr 2010	6.9	0.2%	-0.5%
Labour force (persons)	Sep Qtr 2010	31,805	2.1%	-0.3%
<b>Private Consumption</b>				
No. of dwelling approvals	Dec Qtr 2010	92	15.0%	4.5%
Value of dwelling approvals (\$'000)	Dec Qtr 2010	26,726	9.7%	0.5%
Value of non-dwelling approvals (\$'000)	Dec Qtr 2010	14,875	95.6%	-65.9%
<b>Property Market</b>				
Median sales price – all dwellings (\$)	Sep Qtr 2010	348,000	0.9%	12.3%
Median weekly rent – 3bd house (\$)	Dec Qtr 2010	350	2.9%	9.4%
<b>Tourism</b>				
Hotels, motels & serviced apartments, 15+ rooms (no.)	Sep Qtr 2010	39	0.0%	0.0%
Bed spaces (no.)	Sep Qtr 2010	4,633	0.5%	2.0%
Room occupancy (%) <sup>(a)</sup>	Sep Qtr 2010	55.4	5.4%	-2.5%
Takings from accommodation (\$'000)	Sep Qtr 2010	8,492.0	12.5%	-1.2%
<b>Petrol Prices</b>				
Average price of petrol (c/kL)	February 2011	135.3	9.9%	5.9%

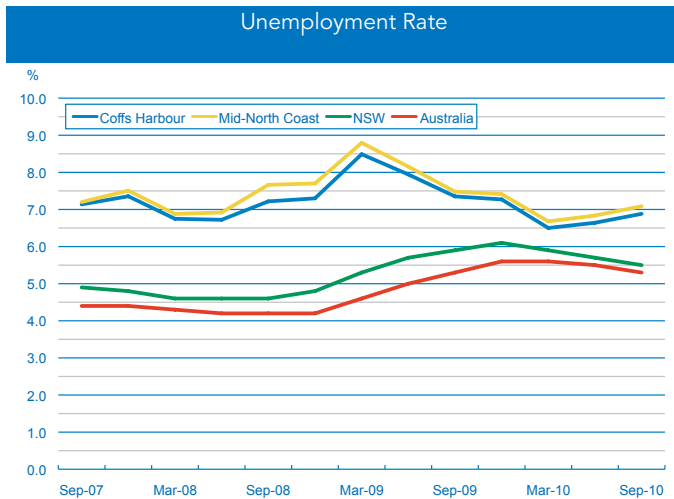
Note: (a) Changes are percentage point changes.

# BUSINESS ACTIVITY



## Labour Market

The unemployment rate for Coffs Harbour was 6.9% in the September Quarter 2010. The unemployment rate has fallen by 0.5 percentage points over the past twelve months.



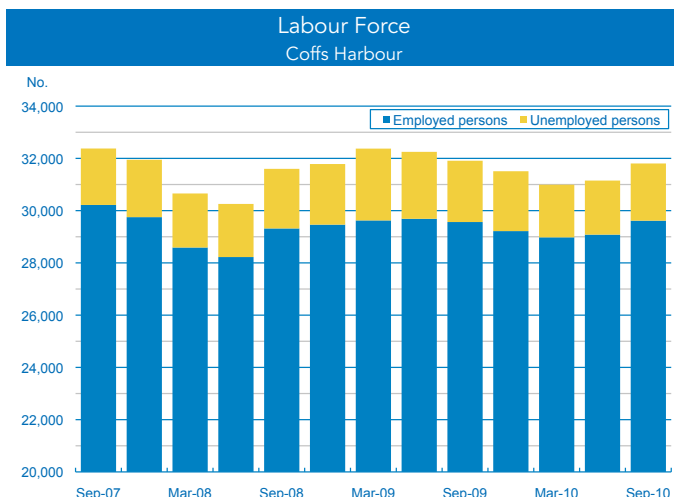
Source: DEEWR, Lawrence Consulting

The estimated number of employed persons in Coffs Harbour increased by 1.8% to 29,616 in the September Quarter 2010. Coffs Harbour recorded positive annual employment growth (0.2%) for the first time since the September Quarter 2009.

	Level Sep Qtr 2010	Qtrly % chg	Ann % chg
Employed persons (no.)	29,616	1.8	0.2
Unemployed (no.)	2,189	5.8	-6.7
Unemployment rate <sup>(a)</sup> (%)	6.9	0.2	-0.5
Labour force (no.)	31,805	2.1	-0.3

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

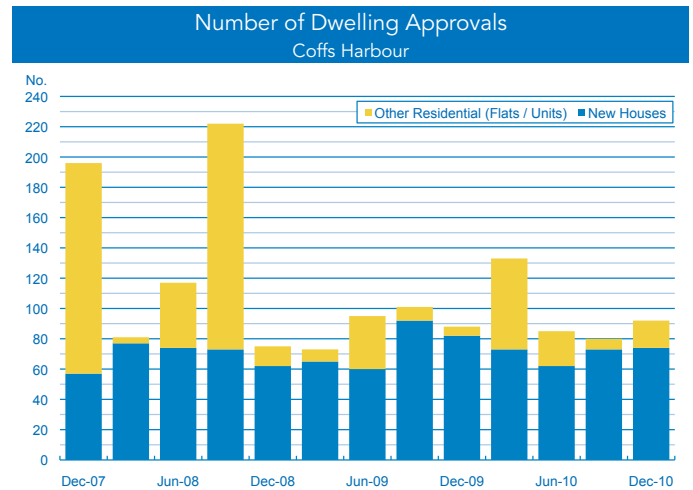
Despite the small annual increase in the number of employed persons in Coffs Harbour, a fall of 6.7% in the number of unemployed persons contributed to a slight decrease of 0.3% in the total labour force, to a level of 31,805 persons in the September Quarter 2010.



Source: DEEWR, Lawrence Consulting

## Building Approvals

The total number of residential building (or dwelling) approvals in Coffs Harbour was 390 in the year to December 2010, representing an annual increase of 9.2%. The total value of dwelling approvals in the year to December 2010 was approximately \$110.5 million, an increase of 6.1% from the level recorded in the year to December 2009 (\$104.1 million).

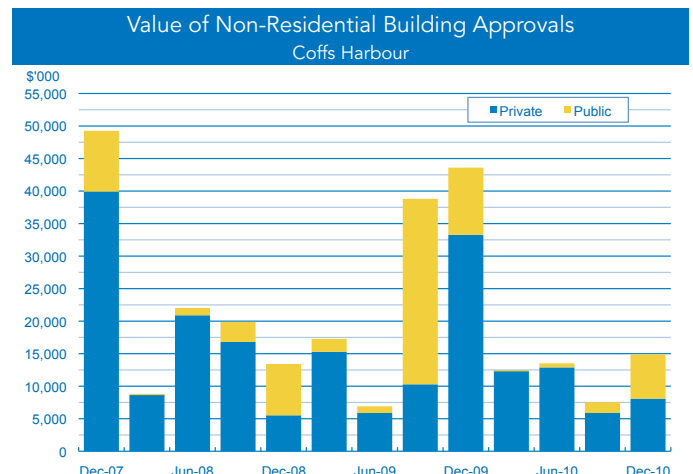


Source: ABS 8731.1

	Level – Dec Qtr 2010	Ann % chg	Level – Yr to Dec-10	Ann % chg
<b>Number</b>				
Dwellings:	92	4.5	390	9.2
New houses	74	-9.8	282	-5.7
Other dwellings	18	200.0	108	86.2
<b>Value (\$'000)</b>				
Dwellings:	26,726	0.5	110,464	6.1
New houses	19,540	-8.5	72,151	-3.2
Other dwellings	4,136	193.8	23,551	93.8
Alts & adds	3,050	-20.6	14,763	-15.3
Non-dwelling	14,875	-65.9	48,455	-54.5
<b>Total building</b>	<b>41,601</b>	<b>-40.7</b>	<b>158,920</b>	<b>-24.6</b>

Source: ABS 8731.1

The total value of non-residential building approvals in Coffs Harbour was approximately \$48.5 million in the year to December 2010.



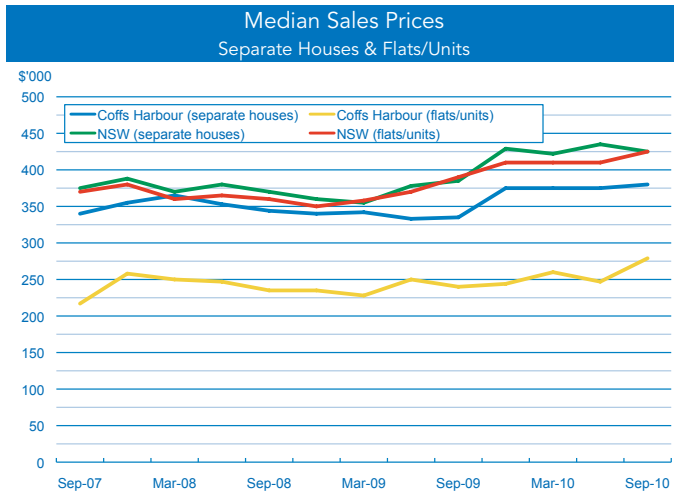
Source: ABS 8731.1

# PROPERTY & INVESTMENT



## House Prices

The median sales price for all dwellings in Coffs Harbour was \$348,000 in the September Quarter 2010, representing a significant annual increase of 12.3%. The median price for separate houses and flats / units in Coffs Harbour were \$380,000 and \$279,000, respectively, in the September Quarter 2010.



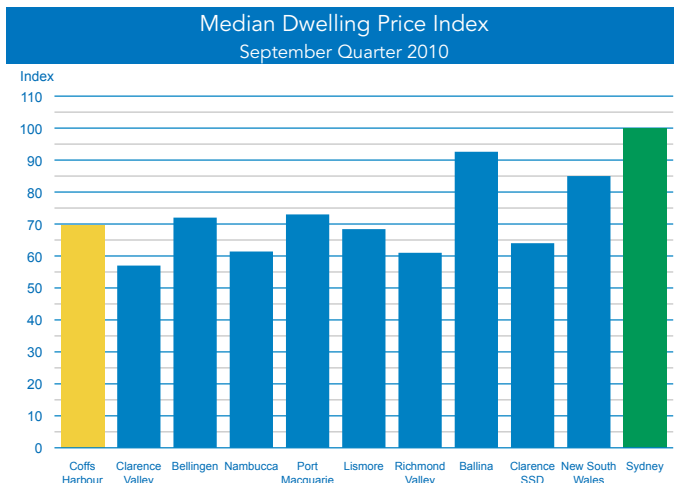
Source: NSW Department of Housing

The median sales prices for all dwelling types in Coffs Harbour were lower than the averages for New South Wales in the September Quarter 2010.

	Coffs Harbour		New South Wales	
	Level Sep Qtr 2010	Ann % chg	Level Sep Qtr 2010	Ann % chg
All dwellings	348,000	12.3	425,000	9.0
Separate houses	380,000	13.1	425,000	9.8
Flats & units	279,000	16.0	425,000	7.5

Source: NSW Department of Housing

The median dwelling price index for Coffs Harbour in the September Quarter 2010 was 69.6 when compared to Sydney (index of 100), which was lower than the index value for New South Wales (85.0).



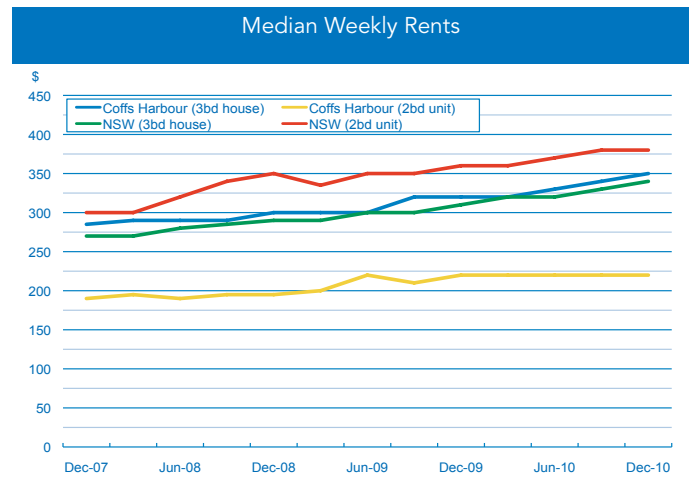
Source: NSW Department of Housing, Lawrence Consulting

## Median Weekly Rents

Rental prices for three bedroom separate houses in Coffs Harbour increased annually by 9.4% to \$350 in the December Quarter 2010, while rental prices for two bedroom units remained unchanged at \$220.

	Coffs Harbour Level Dec Qtr 2010	Ann % chg	New South Wales Level Dec Qtr 2010	Ann % chg
<b>Separate Houses</b>				
Two bedroom	310	n.a.	290	11.5
Three bedroom	350	9.4	340	9.7
<b>Flats and Units</b>				
One bedroom	168	-10.7	365	7.4
Two bedroom	220	0.0	380	5.6

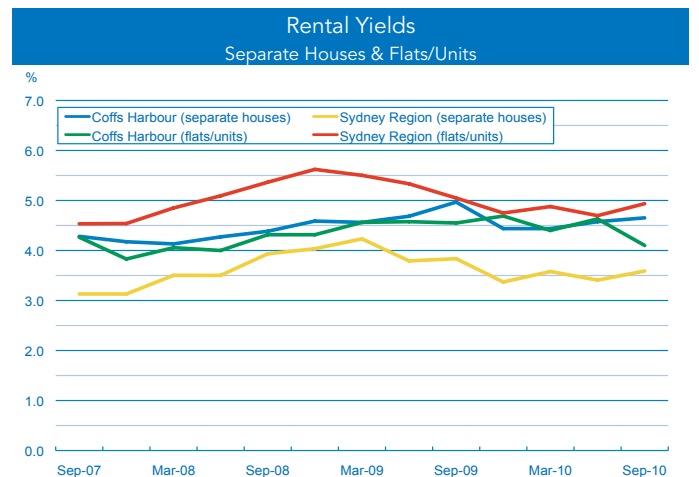
Source: NSW Department of Housing



Source: NSW Department of Housing

## Rental Yields

The average gross rental yield for separate houses in Coffs Harbour was 4.7% in the September Quarter 2010, whilst the yield for units was slightly lower (4.1%). By comparison, the average yields for the Sydney region were 3.6% and 4.9%, respectively, for houses and units in the September Quarter 2010.



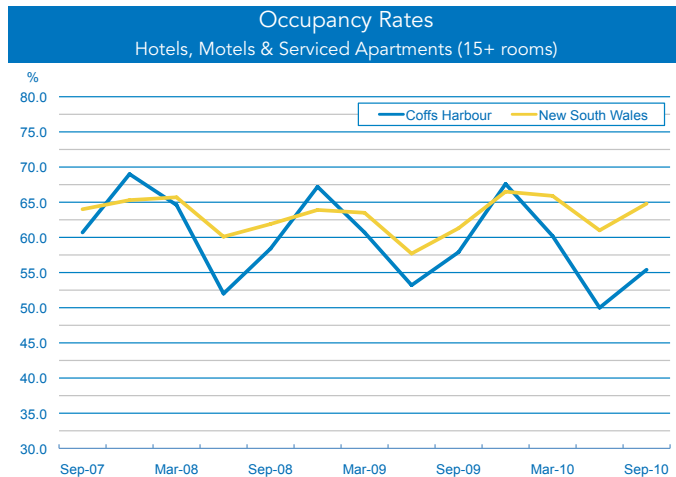
Source: NSW Department of Housing, Lawrence Consulting

# MAJOR INDUSTRY



## Tourism

The room occupancy rate for all establishments with 15 or more rooms in Coffs Harbour was 55.4% in the September Quarter 2010, which represented an increase of 5.4 percentage points from the rate for the June Quarter 2010 (50.0%).

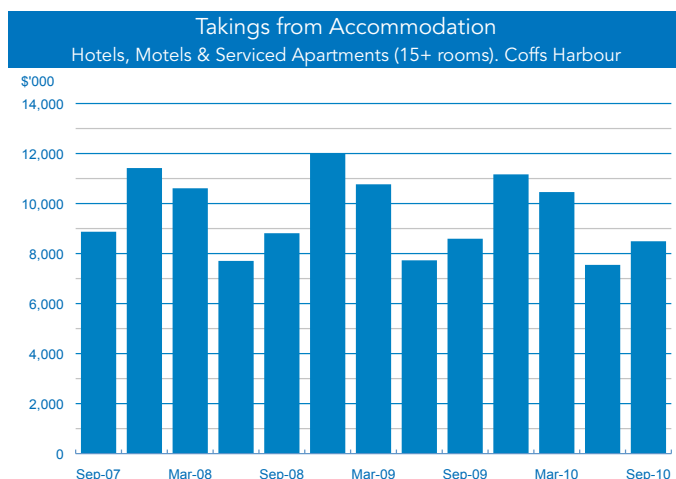


Source: ABS Survey of Tourist Accommodation

Total takings from accommodation in Coffs Harbour over the year to September 2010 were \$8.5 million, which represented a quarterly increase of 12.5%, but a slight fall of 1.2% from the previous year.

Tourist Accommodation			
Hotels, Motels & Serviced Apartments (15+ rooms) 2010	Level Sep Qtr	Qtrly % chg	Ann % chg
Establishments	39	0.0	0.0
Guest Rooms	1,481	0.0	0.2
Bed Spaces	4,633	0.5	2.0
Employment	681	4.4	-1.3
Room occupancy (%)	55.4	5.4	-2.5
Room nights	75,521	12.1	-4.1
Guest arrivals	84,139	16.2	-11.0
Guest nights	146,526	14.2	-3.1
Average stay (nights)	1.7	-5.6	6.3
Takings from accommodation (\$'000)	8,492.0	12.5	-1.2
Takings per unit night occupied (\$)	112.45	0.3	3.1

Source: ABS Survey of Tourist Accommodation



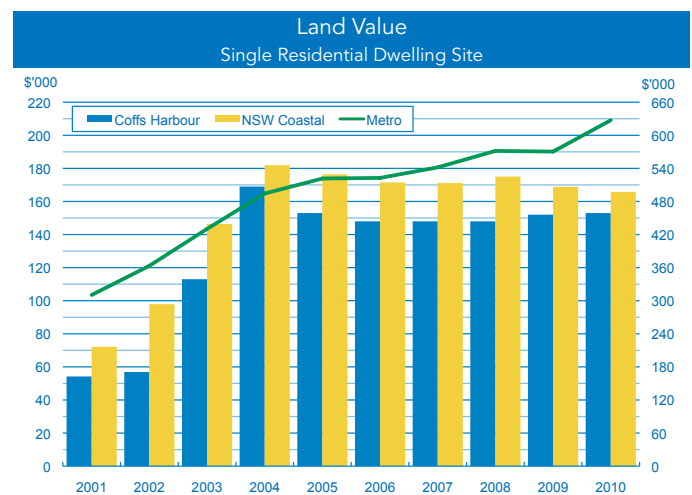
Source: ABS Survey of Tourist Accommodation

Tourism capacity in the region increased slightly over the year to the September Quarter 2010, with a small rise in the number of guest rooms (up 0.2%) and bed spaces (up 2.0%) available in hotels, motels & serviced apartments with 15 or more rooms.

## Land Values

The average land value for a single dwelling residential site in Coffs Harbour was \$153,000 in 2010, which represented an increase of 0.7% from the value in 2009 (\$152,000). The average land value for a single retail shop site in Coffs Harbour was \$490,000 in 2010, which was unchanged from the average in 2009.

By comparison, the average land value for residential dwellings and retail sites for NSW Country areas fell annually by 1.8% and 2.0%, respectively, in 2010.



Source: NSW Department of Lands

Land Values			
Type of site	Level (\$) 2010	Ann % chg	5-yr % chg
Single dwelling	153,000	0.7	0.0
Retail shop	490,000	0.0	40.0
Small industrial	205,000	12.0	22.8
Rural homesites	261,000	2.8	31.2
Hobby farms	322,000	10.7	21.5
Banana plantations	370,000	0.3	0.3

Note: (a) Figures for single dwelling site relate to Sydney Metropolitan Area. Figures for retail shop and small industrial include Sydney, Newcastle and Wollongong

Source: NSW Department of Lands

## For More Information



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