

# ST GEORGE REGION

## Highlight Report®



A house on Newcombe Street, Sans Souci

### MARKET INDICATORS

Change from Last	Year	Half Year
UNIT SALES	↑	↓
UNIT MEDIAN	↑	↑
UNIT RENTS	↑	↑
HOUSE SALES	↓	↓
HOUSE MEDIAN	↑	↑
HOUSE RENTS	↑	↓

The indicators depicted above are based on the year ending June 2013.

### KEY HIGHLIGHTS

- The median house price increased by 5.9%, while the middle value of a unit climbed by 5.7%.
- A strong level of enquiry came from Eastern Suburbs and the Inner West buyers who sought an affordable alternative to the inner city while remaining within close distance to their previous location.
- Locals sought to upgrade from unit to a house and from rental properties to owner occupied dwellings.

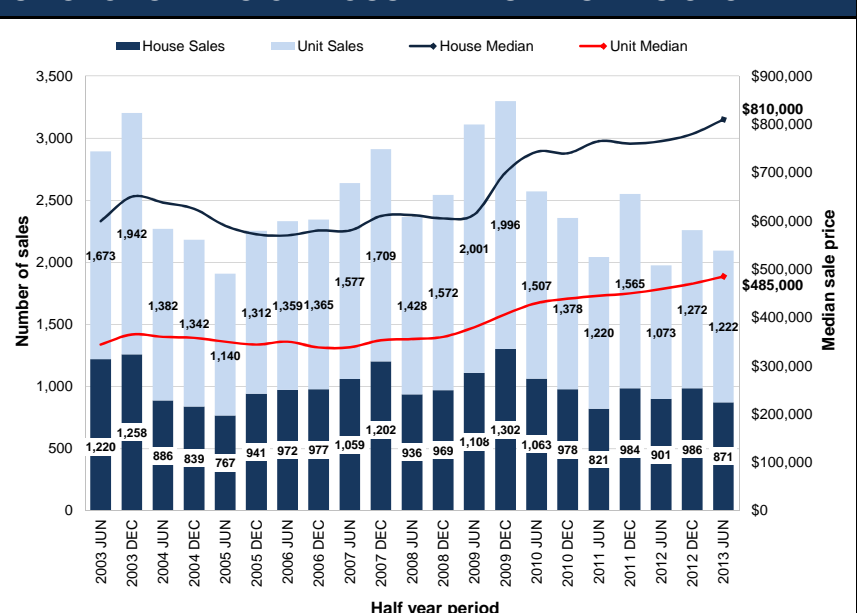
## ST GEORGE REGION OVERVIEW

The St George Region Highlight Report investigates the residential real estate market within the Rockdale, Kogarah and Hurstville Council areas. The report contains detailed investigations into the sub-markets of Bexley North, Ramsgate Beach, Kogarah City and Oatley. Sydney has been one of the first markets around Australia to benefit from the record-low interest rate environment and a renewed (real estate) buyers' confidence. Given its location the St George region represented affordability, offering a selection of product within close proximity to major transport and shopping hubs. The market experienced a flow-on effect from the inner city market since the final months of 2012, with buyers who missed out on properties within 10 km of the CBD purchasing in the region, leading to a significant increase in price and activity.

First home buyer activity declined in line with the rest of the state, while investor appetite moderated as capital prices increased, squeezing rental yields. That said, upgrader demand firmed in the first half of the year, with locals seeking to upgrade from unit to a house and from rental properties to owner occupied dwellings. Simultaneously, a strong level of enquiry came from Eastern Suburbs and the Inner West buyers who sought an affordable alternative to the inner city while remaining within close distance to their previous location.

The Sales Cycle graph bellows shows a 5.9 per cent rise in the median house price against a 5.7 increase in the median value of a unit over the 12 months to June 2013. The middle price of a house closed the period at \$810,000 while the middle unit was priced at \$485,000. Overall activity climbed by six per cent between the first half of 2013 and the corresponding period in 2012. However, the number of unit sales increased by 14 per cent while house activity softened, signalling the continuation of a shift toward medium-density living.

### ST GEORGE REGION HOUSE AND UNIT SALES CYCLE

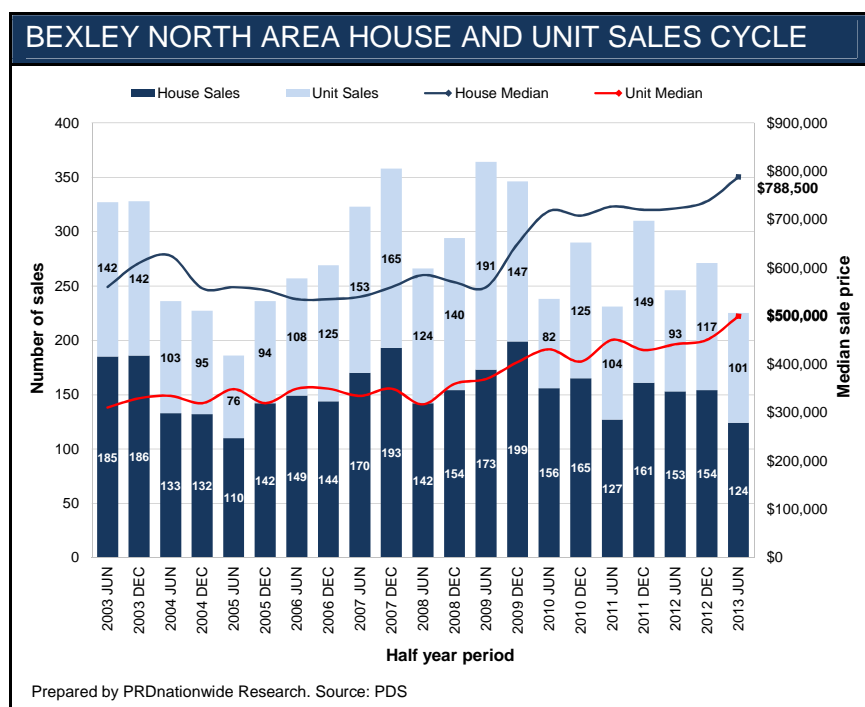


Prepared by PRDnationwide Research. Source: PDS

## BEXLEY NORTH AREA

The Bexley North Area encompasses the suburbs of Bexley, Bexley North, Bardwell Park, Bardwell Valley and Kingsgrove. The area's median house price experienced a strong recovery in the 12 months to June 2013, increasing by 9.1 per cent to \$788,500. For the same period the middle unit price firmed by 13.1 per cent to \$500,000. Shortage of stock led to lower activity compared with the corresponding period in 2012 although the number of properties for sale is expected to rise in spring. Lack of affordability in the inner city brought upgraders to the Bexley North area, seeking free-standing houses in a central location. The rising dwelling prices led to a decline in investor numbers as rental yields decreased.

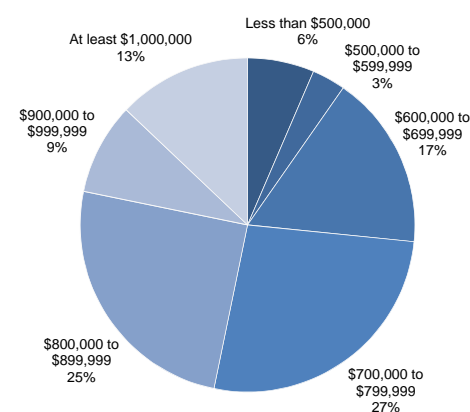
Lack of affordability in the **inner city** brought **upgraders** to the **Bexley North** area, seeking free-standing **houses** in a central location



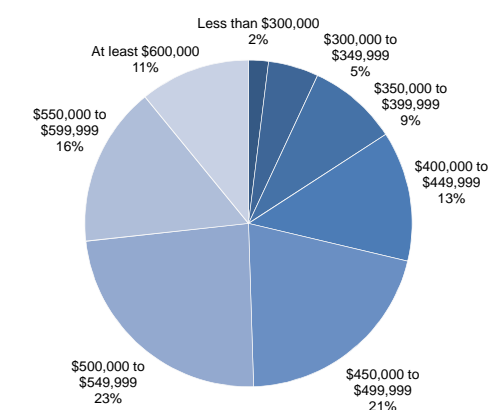
The House and Unit Price Point charts to the right pointed to strong activity in middle price ranges, with a shift toward higher price points as the market turned from the bottom of its cycle. The share of house sales over \$800,000 increased by 10 transactions between the first half of 2012 and the corresponding period in 2013, while unit sales over \$450,000 increased by 27 transactions or sixty per cent.

Data released by the Department of Housing pointed to a soft rental market. The median rent for a three bedroom house in the Bexley North area declined by 3.7 per cent in the 12 months to June 2013, while the middle rent price of a two bedroom unit remained unchanged. Evidence has emerged of tenants taking advantage of the record-low mortgage rate to purchase their own property, leading to a rise in vacancy and a decline in rent prices. With that said, well located and well-priced rental accommodation was normally leased within two to three weeks.

### HOUSE PRICE POINTS 6 MONTHS TO JUNE 2013



### UNIT PRICE POINTS 6 MONTHS TO JUNE 2013

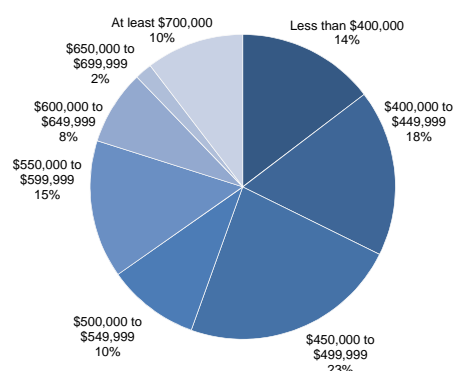


### HOUSE ACTIVITY SIX MONTHS TO JUNE 2012 AND 2013

Suburbs	Six months to Jun-12		Six months to Jun-13		Annual Change	
	Median Price	Total Sales	Median Price	Total Sales	Median Price	Total Sales
Bexley	\$693,000	76	\$740,000	70	6.8%	-7.9%
Kingsgrove	\$745,500	30	\$841,000	12	12.8%	-36.7%
Bexley North	\$773,000	22	\$800,000	14	3.5%	-36.4%

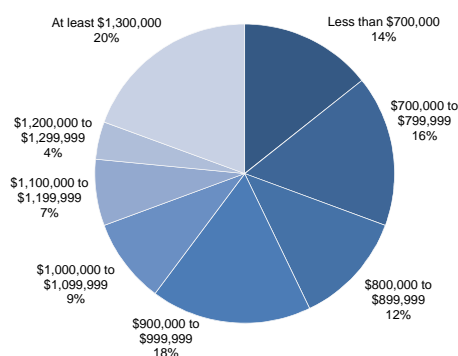
**Short supply** was met by exceedingly **strong demand**, with investors and owner occupiers attracted by **affordable stock** within walking distance to the **foreshore**

### UNIT PRICE POINTS 6 MONTHS TO JUNE 2013



Prepared by PRDnationwide Research. Source: PDS

### HOUSE PRICE POINTS 6 MONTHS TO JUNE 2013



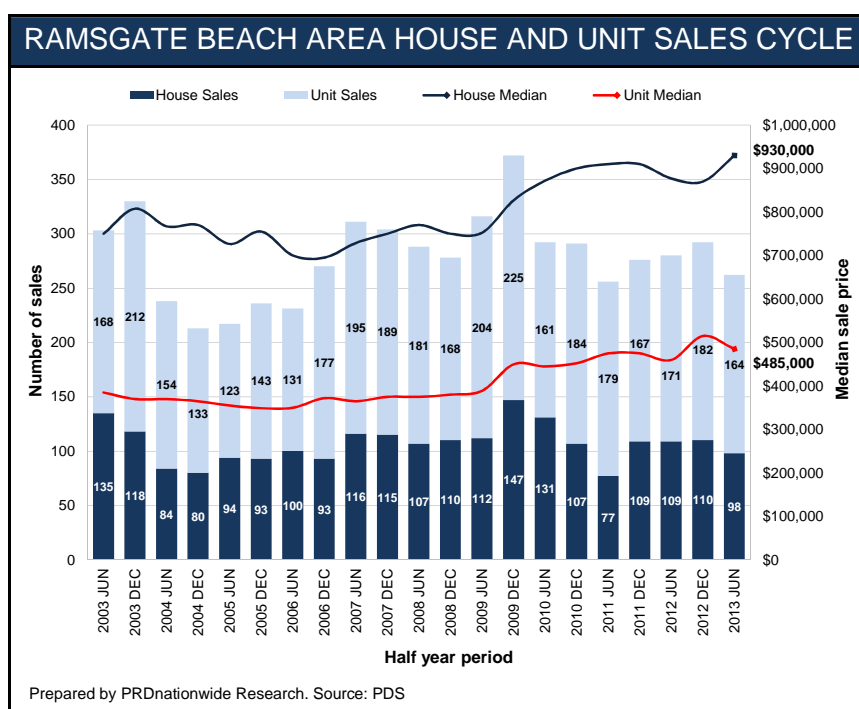
Prepared by PRDnationwide Research. Source: PDS

## RAMSGATE BEACH AREA

The Ramsgate Beach Area is defined by the suburbs of Ramsgate, Ramsgate Beach, Monterey, Sans Souci, Sandringham, Dolls Point, Beverley Park and Kogarah Bay. The area's property market has experienced a small regression in activity during the six months to June 2013, when compared with the corresponding 2012 period. Short supply was met by exceedingly strong demand, with investors and owner occupiers attracted by affordable stock within walking distance to the foreshore. The performance of both the house and unit markets that was prevalent in the second half of 2009 has dissipated, with the area averaging 276 sales per six month period over the past three years. The unit market registered a total of 164 sales during the June 2013 half year period, equating to a ten per cent increase from the corresponding period in 2012. The house market recorded a small contraction from 2012, with 98 sales representing a 4.1 per cent decline from the June 2012 figure.

The sub \$400,000 price range contracted since the June 2012 half year period, while middle and upper price points expanded. As a result, the June 2013 six month period recorded a median unit price of \$485,000. The \$450,000 to \$499,999 price range was where most units transacted during the six month period; activity in this range firmed over the 12 months to June.

Upward movement in the median house price is explained by a sharp decline in the \$800,000 to \$899,999 price point and by four additional sales in the top price point of \$1,300,000 plus. The median closed the June period at \$990,000, representing a 12 month growth of six per cent and setting a record for this market.



Prepared by PRDnationwide Research. Source: PDS

Unit development continued to play a major role in the renewal of the Ramsgate Beach Area, with more than eight developments expected to be completed in the next two years. Demand for new units came from out-of-area buyers seeking affordable accommodation in established suburbs.

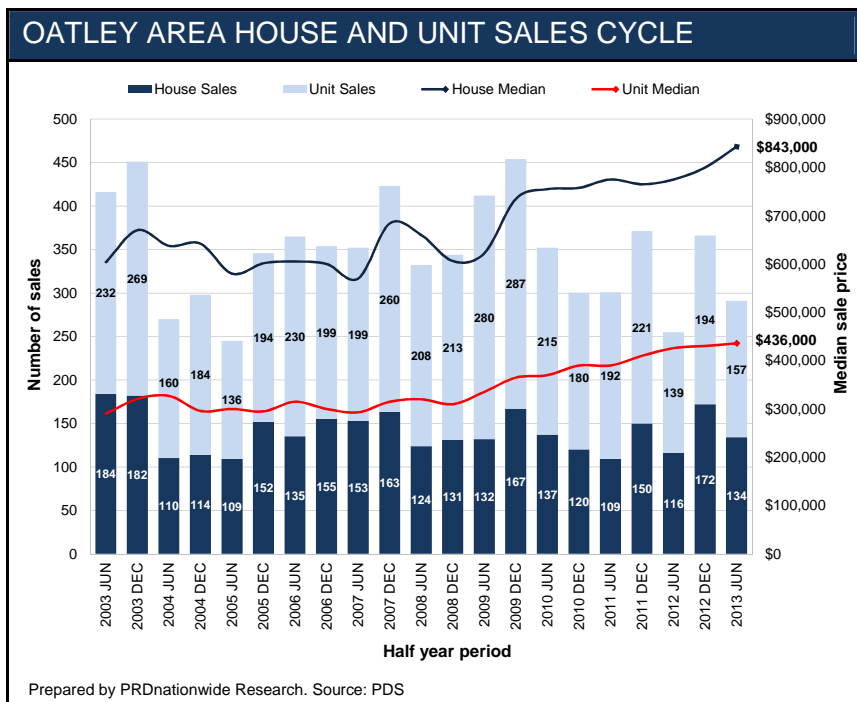
The growth in units rent moderated as some tenants moved into owner occupied apartments. The median rent price for a single-bedroom unit increased by 2.9 per cent (2217 postcode) in the 12 months to June 2013, while the median rent of a two-bedroom unit increased by 5.0 per cent and 6.8 per cent in the 2217 and 2219 postcodes respectively. The rental vacancy rate climbed to 1.7 per cent in July but remained lower than the rate recorded in July 2012 and 2011.

## OATLEY AREA

The Oatley Area comprises the suburbs of Oatley, Mortdale and Penshurst and is divided between the Kogarah and Hurstville local council areas. Activity increased in the 12 months to June 2013 equated to 15.5 per cent for houses and 12.9 per cent for units. Enquiry intensified over the first half of 2013 with first home buyers and investors targeting the area's unit stock, while locals used the low mortgage rate to upgrade into larger accommodation. Anecdotal evidence pointed to residents coming from denser parts of the St George region seeking improved lifestyle and proximity to the area's schools.

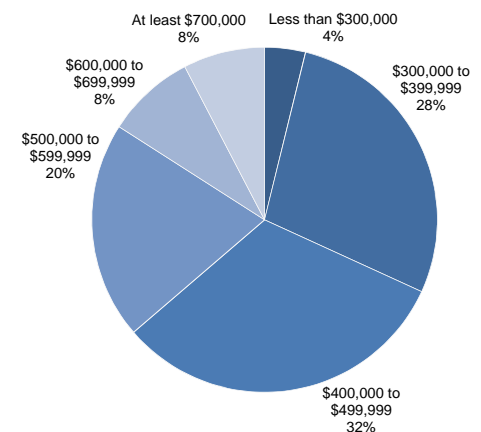
An 8.8 per cent median price increase in the 12 months to June 2013 confirmed the competitive bidding and the scarcity of house stock. For the same period the median unit price appreciated by 2.3 per cent. The growth culminated a rise of 39 per cent and 41 per cent for a house and a unit respectively since the lows recorded in December 2008.

Growth in unit prices is best seen by inspecting the Unit Price Point chart to the right. The \$400,000 to \$499,999 price point represented the largest share of transactions in the first half of 2013, accounting for 32 per cent of unit sales. This price point declined from 40 per cent in the corresponding period in 2012, while all price points over \$500,000 increased. The same trend was observed in the detached house market.



Tenants turning to owner-occupiers led to a soft rental market although rent prices for new bonds continued to rise in the 12 months to June 2013, with the median rent for a two-bedroom unit increasing by 3.9 per cent. In August 2013 there were 37 units available for rent in the Oatley Area, allowing tenants to be selective with their choice of accommodation. The supply of houses for rent remained constrained, with eight detached dwellings advertised in August. The median rent of a three bedroom dwelling remained unchanged at \$520 per week. Despite a small increase in the rental vacancy rate (1.5 per cent in July 2013) well-priced dwellings generally leased within two to three weeks, while rental properties that were not adequately priced took up to six weeks.

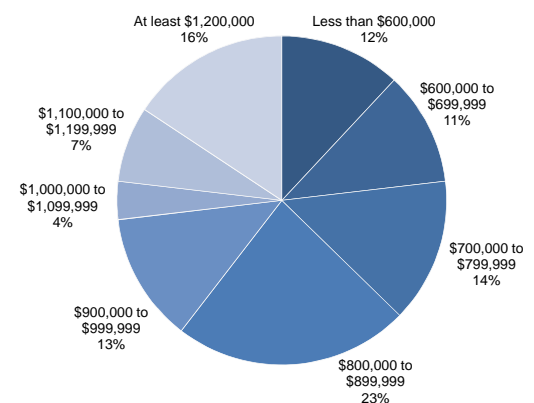
### UNIT PRICE POINTS 6 MONTHS TO JUNE 2013



Prepared by PRDnationwide Research. Source: PDS

Enquiry **intensified** over the first half of 2013 with first **home buyers** and investors **targeting** the area's **unit stock**, while locals used the **low mortgage rate** to **upgrade** into larger accommodation

### HOUSE PRICE POINTS 6 MONTHS TO JUNE 2013

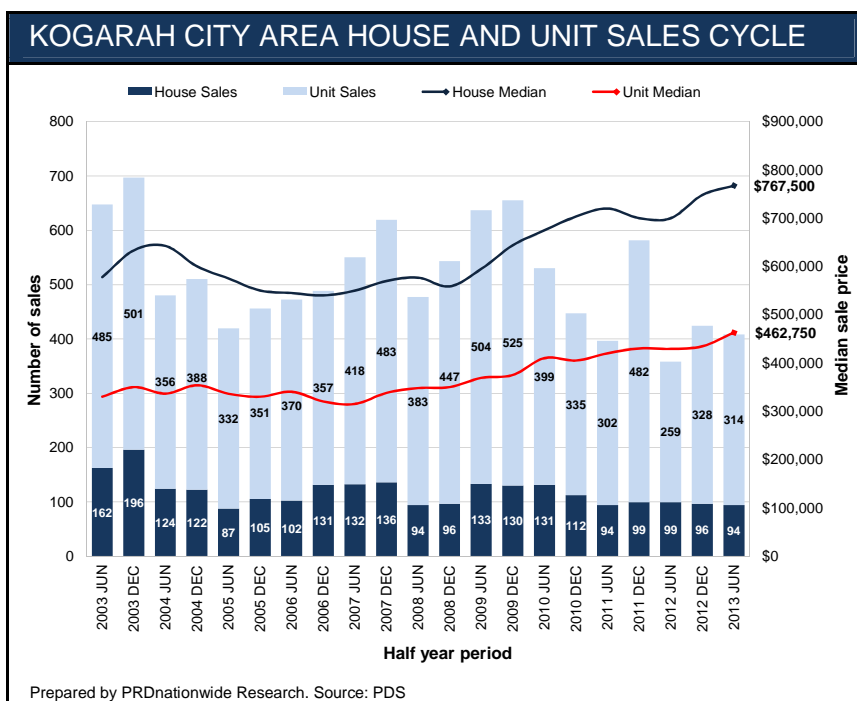


Prepared by PRDnationwide Research. Source: PDS

## KOGARAH CITY AREA

The Kogarah City Area comprises the suburbs of Allawah, Carlton, Kogarah and Rockdale. A flow of new stock kept the Kogarah market buoyant in the first half of 2013, with unit sales accounting for 77 per cent of transactions. Strong unit activity was recorded over \$450,000 as the share of affordable stock below \$400,000 declined. The median price of a unit closed the period at \$462,750, representing a 12 month growth of 7.9 per cent. House activity toward the top and bottom ends of the market increased over the period, signalling renewed confidence in \$800,000 plus properties, as sellers in lower price brackets upgraded to larger premises. The median price of a house increased by 9.6 per cent to \$767,500 in June, setting an all-time record for the area.

A mix of investors and owner occupiers made up the majority of buyer in this market. Investors came from other parts of Sydney targeting properties that offered strong yields, while owner occupiers were mostly locals. Robust unit sales led to a 14 per cent rise in activity, while house sales remained steady.



The rental market softened over the period as the tenants, encouraged by the record-low mortgage rate, traded tenancy for ownership. That said, demand for units in the 2218 postcode remained high, with the median rent for a two bedroom apartment increasing by 7.5 per cent since June 2012. The 2217 postcode which included the Kogarah City Centre increased by five per cent over the period to a median of \$420 per week.

The table below outlines unit performance in each of the four suburbs, highlighting an increase in both median price and activity across all suburbs.

UNIT ACTIVITY SIX MONTHS TO JUNE 2012 AND 2013						
Suburbs	Six months to Jun-12		Six months to Jun-13		Annual Change	
	Median Price	Total Sales	Median Price	Total Sales	Median Price	Total Sales
Allawah	\$450,000	32	\$474,500	46	5.4%	43.8%
Carlton	\$446,500	46	\$470,000	47	5.3%	2.2%
Kogarah	\$430,000	87	\$440,750	112	2.5%	28.7%
Rockdale	\$407,000	94	\$468,000	109	15.0%	16.0%

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