

Oatley
Property Factsheet
1st Half 2018





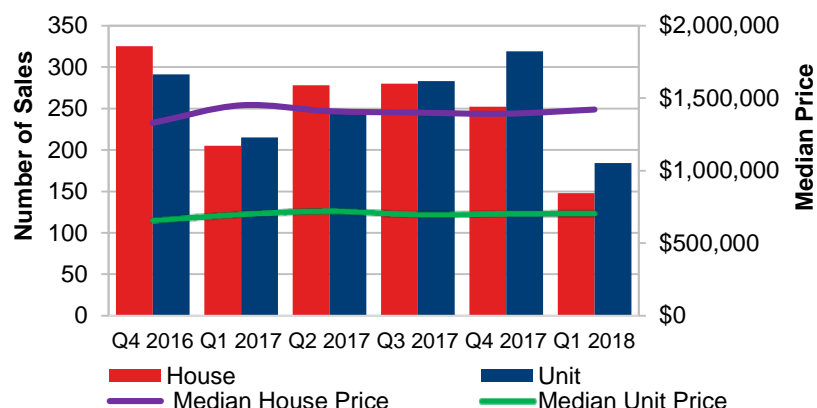
MARKET CONDITIONS

The Oatley* house market has grown by 4.4% over the past 12 months (Q1 2017-Q1 2018), recording a median price of \$1,487,600 in Q1 2018. The unit market has grown at a more impressive rate of 13.9% over the same time frame, recording a median price of \$706,000 in Q1 2018. In contrast the Georges River Council Local Government Area (LGA) house market has shown a declining trend during this period by -2.0% to \$1,421,000 in Q1 2018. The unit market recorded positive growth, however at 0.9% (to a \$705,000 median price in Q1 2018) it pales in comparison to the Oatley* market.

This suggests that the Oatley* market is a premium market when compared to the Georges River Council LGA, both from an entry price point and capital growth perspectives. That said, when compared to the previous growth of 14.8% for houses and 15.7% for units recorded in the 2nd half of 2017, it suggests that whilst Oatley* maintains being profitable for capital growth, it is also returning to a more sustainable level for future growth. This allows for some affordability for first home buyers.

Average vendor discount for units in Oatley* has switched to become a seller's market, from -2.0% in Q1 2017 to 0.2% in Q1 2018. Sellers need to act now to ensure they reap the benefits of a hot market. Average vendor discount for houses remains in the seller's favor at 1.0% in Q1 2018. That said, this is only a small advantage to the seller as 12 months ago in Q1 2017 sellers were able to benefit from a 2.5% vendor discount. Thus, now is the time for sellers and buyers to transact. Sellers can benefit from positive capital growth whilst buyers can benefit from increasing affordability.

GEORGES RIVER COUNCIL GROWTH



OVERVIEW

Oatley is a suburb located 18kms south of the Sydney CBD. Oatley's main shopping centre is commonly mentioned as the most picturesque shopping village in the St George area. Based on the 2016 ABS Census approximately 10,486 people reside in the suburb of Oatley, which is a 3.8% growth over the past five years.

CHANGE FROM LAST	YEAR	HALF YEAR
House Sales	↓	↓
House Median Price	↑	↑
House Rental Price	↔	↑
Unit Sales	↑	↓
Unit Median Price	↑	↑
Unit Rental Price	↔	↔

FUTURE DEVELOPMENTS**

Oatley* is set to invest approximately \$127.8M worth of development in the 1st half of 2018, the majority being commercial projects (51.5% or \$65.7M), followed by mixed-use (29.4% or \$37.6M) and residential (18.7% or \$23.8M).

A significant project commencing in the 1st half of 2018 is the Forest Road Commercial Complex. This involves the construction of a 14-storey commercial building to comprise 3 levels podium retail tenancies & 11 levels of commercial office.

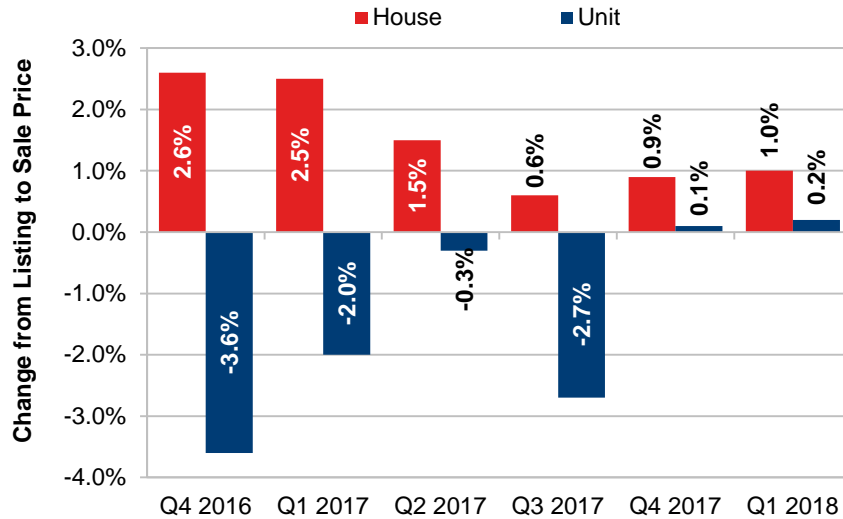
187 units/apartments, 13 dwellings, and 4 townhouses are planned for the 1st half of 2018; split between 3 mixed-use and 11 residential projects.

A main mixed-use project is the Dora Street Mixed Development, estimated at \$23.4M and due to construct a 9-13 storey mixed-development comprising 342sqm ground floor retail and 51 residential units. A main residential project is the Pearce Avenue & Lawrence Street Apartments, estimated at \$5.3M, and due to construct 21 apartments.

*Oatley market data and key indicators encapsulates aggregate property market conditions in the following suburbs: Mordiallo, Oatley, Hurstville Grove, Penshurst, Lugarno, and Peakhurst Heights.

**Estimated values are based on construction value provided by the relevant data authority and does not reflect commercial and/or re-sale value. Quoted construction and completion dates are estimate only, as per relevant data authority. Source: APM Pricefinder, realestate.com.au. © Copyright PRDnationwide 2018.

AVERAGE VENDOR DISCOUNT



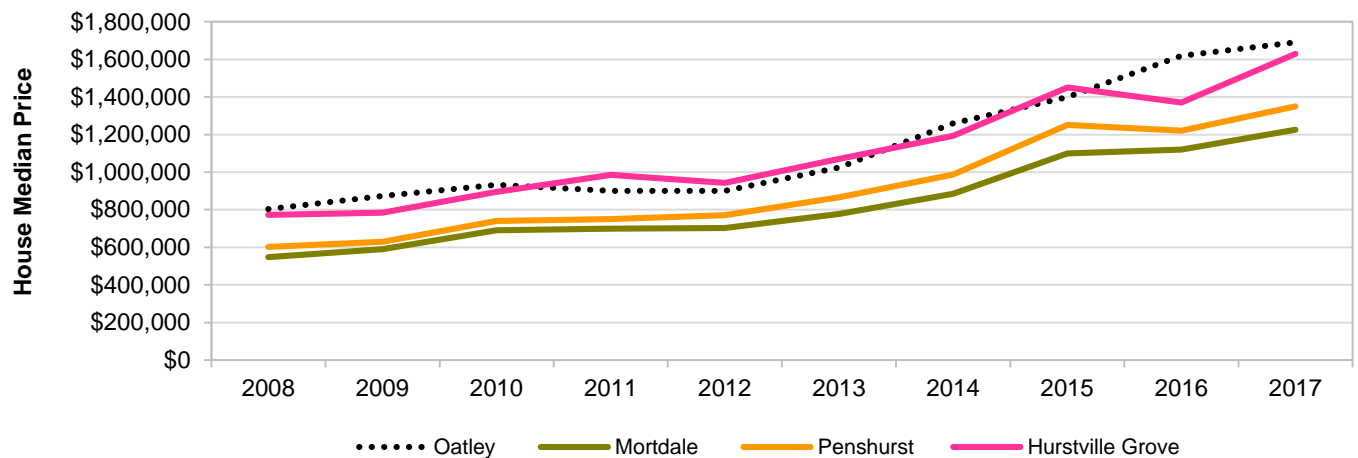
AVERAGE VENDOR DISCOUNT

Average vendor discount reflects the average percentage difference between first list price and final sold price. A lower percentage difference (closer to 0) suggests buyers are willing to purchase close to the first asking price of a property.

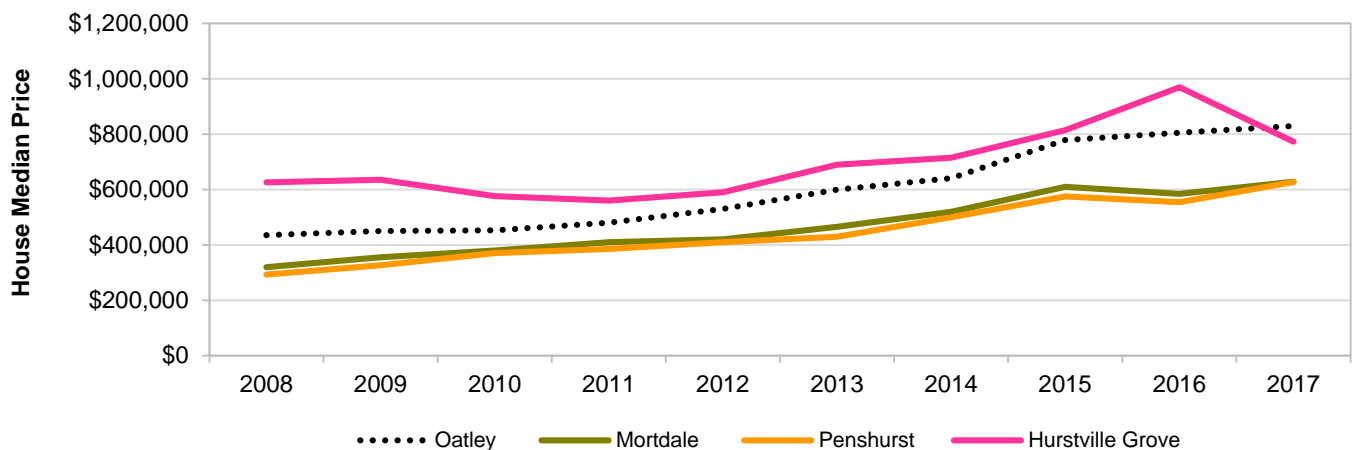
MARKET COMPARISON GRAPH

The market comparison graph provides comparative trend for median price of house and units over the past 10 years. Suburbs profiled are chosen based on proximity to the main suburb analysed in the factsheet, which is Oatley. The main suburb is highlighted through a dotted black line graph.

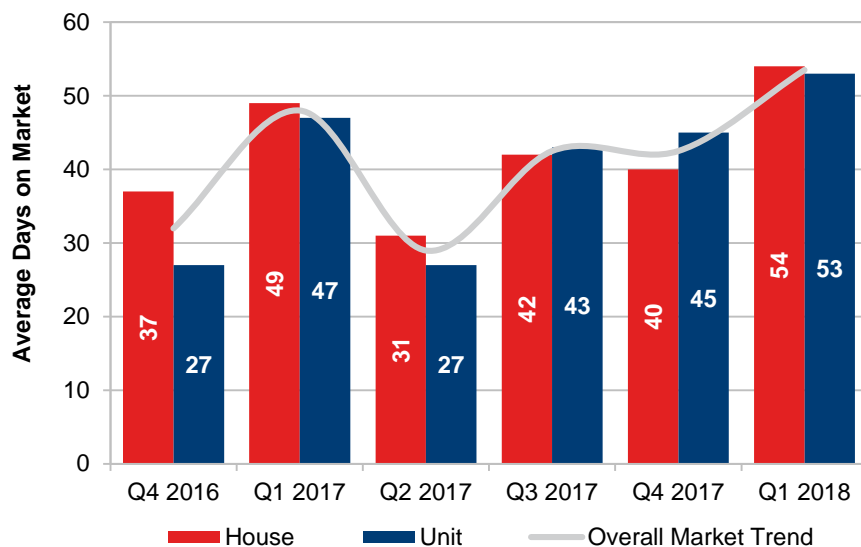
HOUSE MARKET COMPARISON



UNIT MARKET COMPARISON



AVERAGE DAYS ON MARKET**



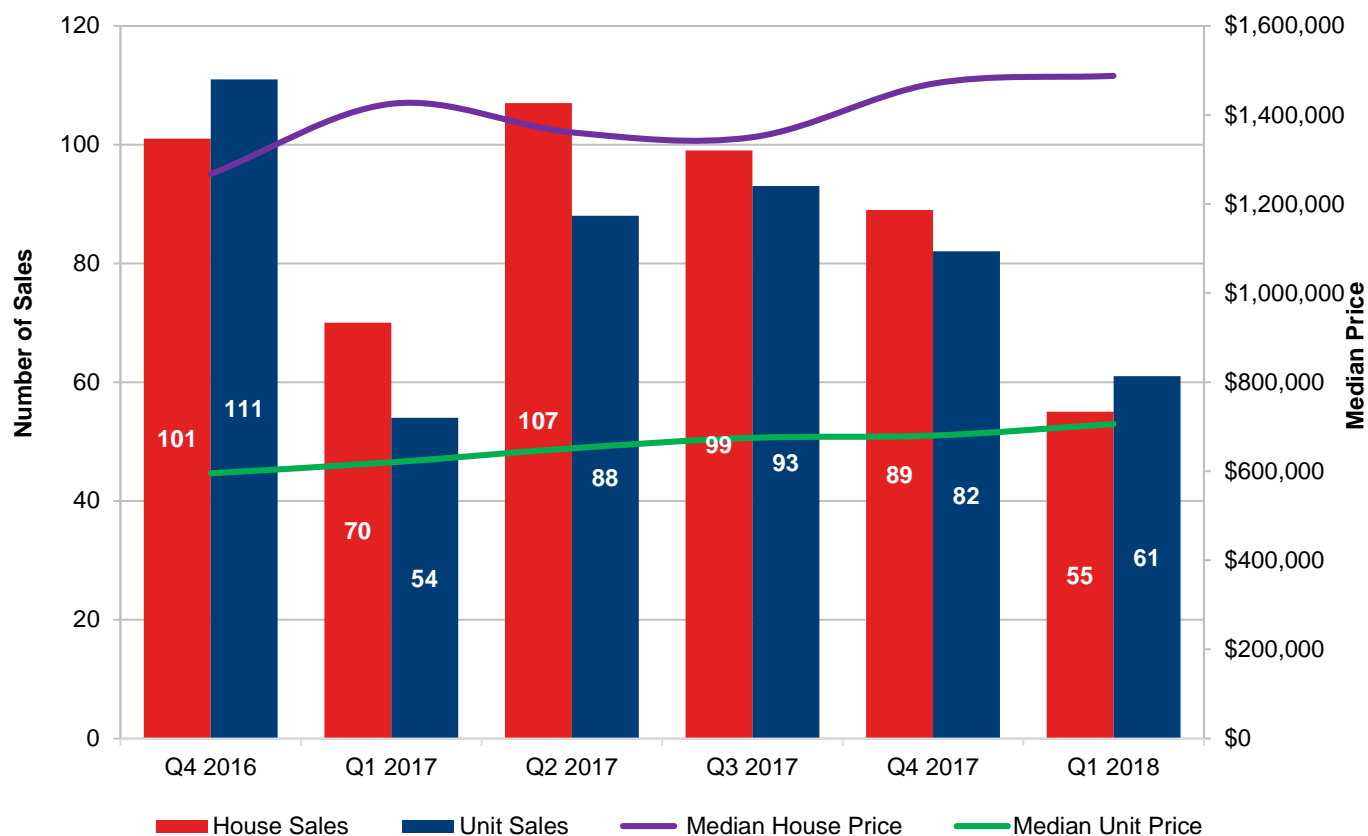
HOUSE KEY FACTS Q1 2018

Median Sale Price: \$1,487,600
Annual Growth: 4.4%*
Average Days on Market: 54
% Change between First Listed Price and Sold Price: 1.0%

UNIT KEY FACTS Q1 2018

Median Sale Price: \$706,000
Annual Growth: 13.9%*
Average Days on Market: 53
% Change between First Listed Price and Sold Price: 0.2%

SALES AND MEDIAN PRICE**



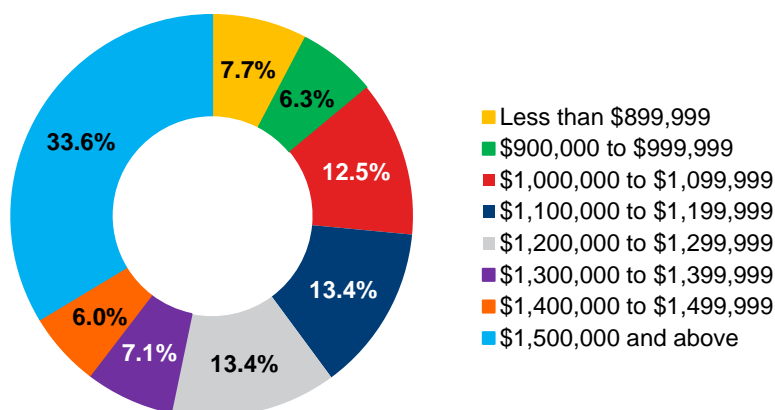
*Annual growth represents price growth for property transactions between Q1 2017 to Q1 2018 (inclusive).

**Oatley market data and key indicators encapsulates aggregate property market conditions in the following suburbs: Mortdale, Oatley, Hurstville Grove, Penshurst, Lugarno, and Peakhurst Heights.

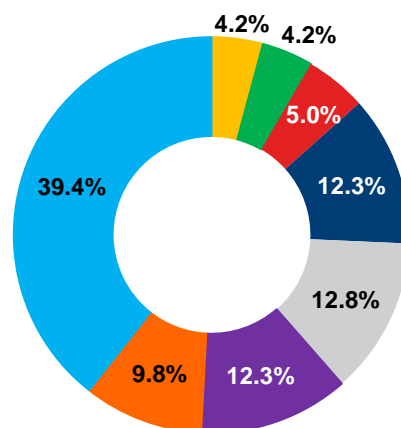
Source: APM Pricefinder, realestate.com.au, SQM Research. © Copyright PRDnationwide 2018.

SALES PRICE POINT COMPARATIVE ANALYSIS

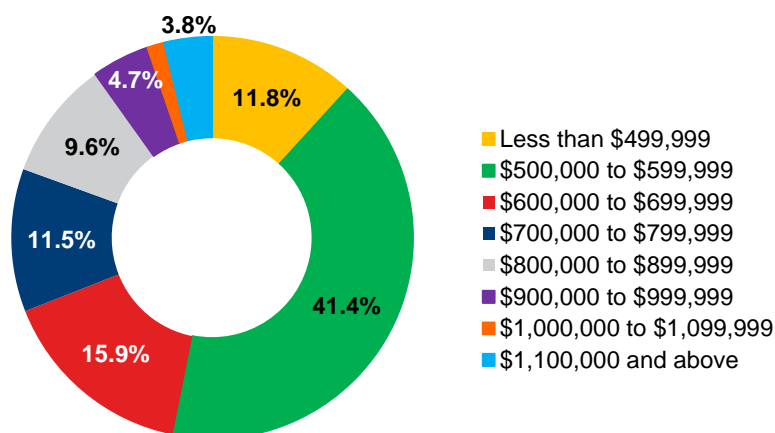
HOUSE PRICE POINT 2016



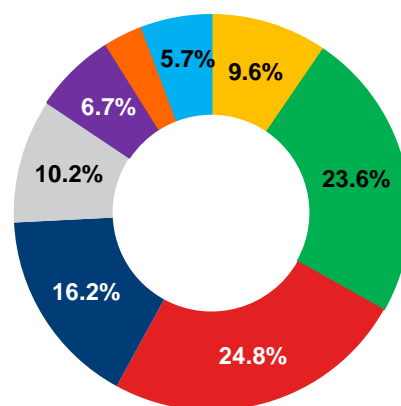
HOUSE PRICE POINT 2017



UNIT PRICE POINT 2016



UNIT PRICE POINT 2017



KEY IMPLICATIONS - HOUSE

The proportion of houses being sold in 2017 remains within the \$1,500,000 and above price bracket, which has increased from 33.6% in 2016 to 39.4%. This suggests not only a maintenance of market price structure but also an increasing demand for higher end properties.

Those with a budget of less than \$1,000,000 is further priced out of the market and need to act quickly, as the total amount of sales in this price bracket has decreased from 26.5% in 2016 to 13.4% in 2017. Sales in the upper priced bracket – between \$1,300,000 to \$1,500,000 has increased over the last 12 months, reflecting the 4.4% increased in median house price during this period.

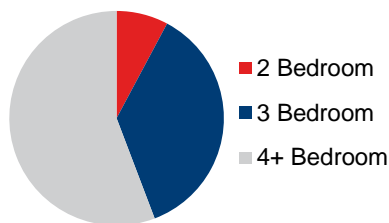
KEY IMPLICATIONS - UNIT

The proportion of units being sold in 2017 is primarily in the \$600,000 - \$699,000 price bracket, at 24.8%. This is closely followed by the \$500,000 to \$599,000 bracket at 23.6%, which was the main price bracket for 2016.

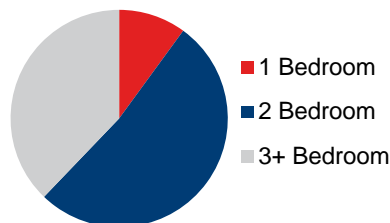
There has been an increase in the number of sales for all upper priced brackets, which suggests a move towards higher unit prices in the market, reflective of the 13.9% median price growth over the past 12 months. The proportion of affordable options - \$599,999 and under – has significantly decreased over the past 12 months from 53.2% in 2016 to 33.2% in 2017. First home buyers need to act fast to secure their dream property.

INVESTMENT ANALYSIS

HOUSE



UNIT



HOUSE KEY FACTS Q1 2018

Median Rent Price: \$620 per week
Rental Yield: 2.5%
Average Days on Market: 20
Bedroom Breakdown:
 2 Bed: 13%, 3 Bed: 47%, 4+ Bed: 41%

UNIT KEY FACTS Q1 2018

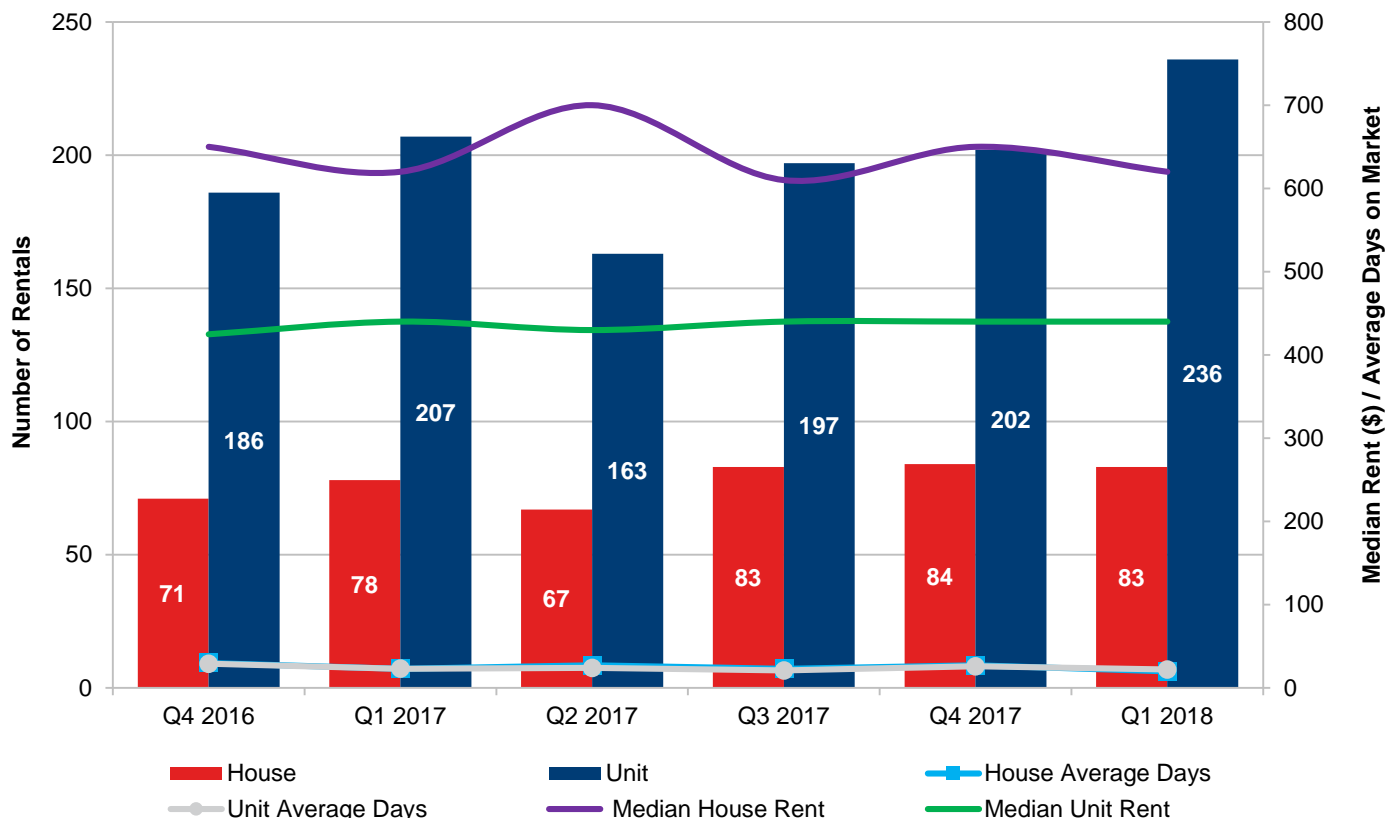
Median Rent Price: \$440 per week
Rental Yield: 3.3%
Average Days on Market: 22
Bedroom Breakdown:
 1 Bed: 5%, 2 Bed: 58%, 3+ Bed: 37%

KEY COMMENTS

Interest in Oatley* has been recorded at an average of 1,394 online visits per property, signifying a high demand market when compared to the New South Wales' average of 895 online visits. Rental demand has increased for both house and units over the past 12 months to Q1 2018, at 6.4% (houses) and 14.0% (units). Meanwhile, median rent price for both property types has remained stable during the same time frame, which when coupled with a low vacancy rate of 1.5%, suggests investors need not worry over fears of oversupply in the market.

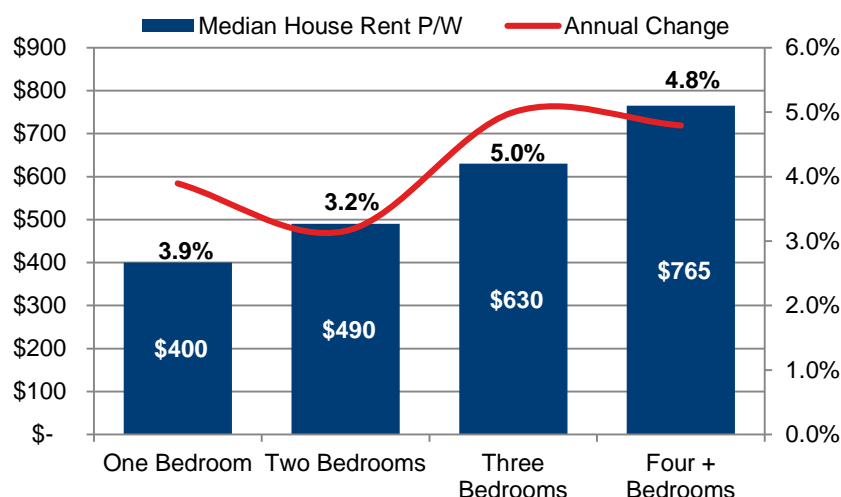


MEDIAN RENT AND AVERAGE DAYS ON MARKET*



*Disclaimer: Oatley market data and key indicators encapsulates aggregate property market conditions in the following suburbs: Mortdale, Oatley, Hurstville Grove, Penshurst, Lugarno, and Peakhurst Heights.
 Source: APM Pricerfinder, realestate.com.au, SQM Research. © Copyright PRDnationwide 2018.

RENTAL PERFORMANCE 2017*



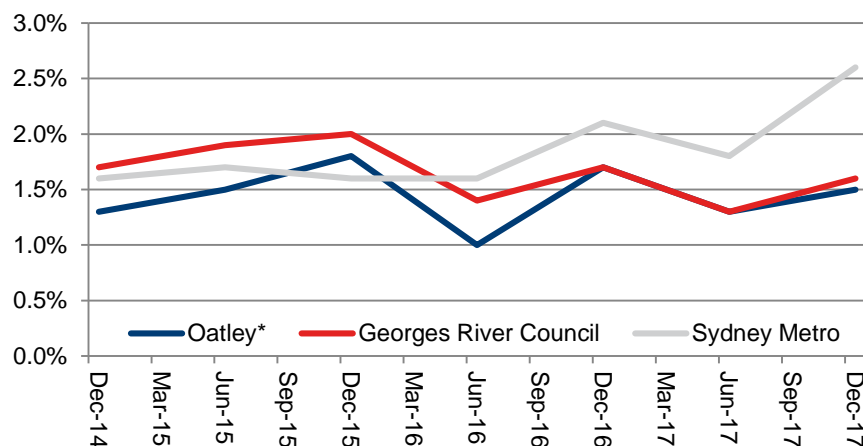
KEY COMMENTS

Oatley's rental returns are currently at 2.5% (house) and 3.3% (unit), on par with the wider Georges River Council (2.7% and 3.4% respectively).

Three bedroom houses provide the highest annual rental growth at 5.0%.

Oatley's* vacancy rate was recorded at 1.5% in December 2017, lower than the Georges River Council (1.6%) and significantly lower than Sydney Metro (2.6%). This suggests a healthier rental demand in Oatley*. Further, Oatley's* vacancy rate has declined slightly over the past 12 months whilst Sydney Metro's has increased, confirming it as an investment hotbed.

VACANCY RATES 2017



RENTAL YIELD 2017

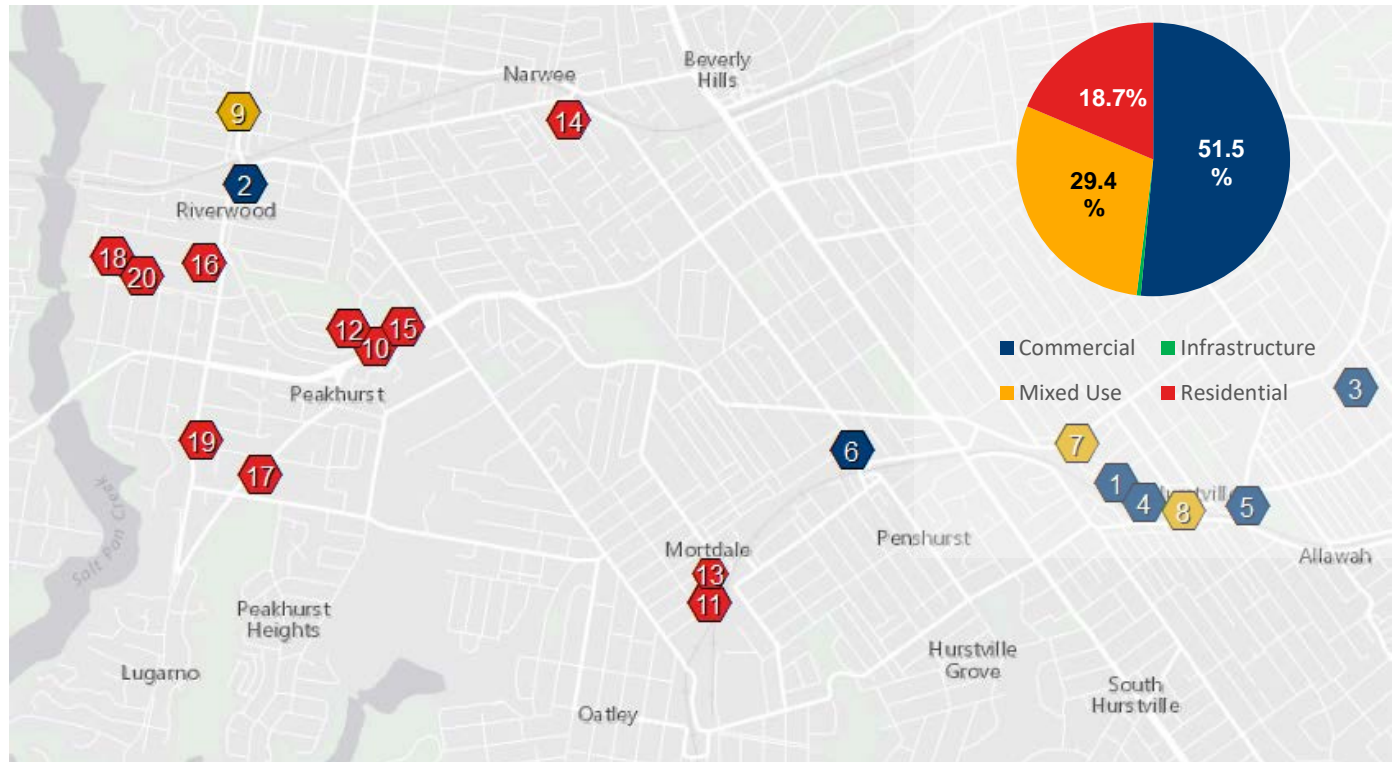
Suburb/ Postcode/ LGA	House Rental Yield	Unit Rental Yield
Oatley	2.5%	3.3%
Mortdale	2.0%	3.0%
Georges River Council	2.7%	3.4%
Sydney Metro	2.9%	3.8%

KEY HOUSING DEMOGRAPHICS

	Oatley	Georges River LGA	New South Wales
Median weekly household income	\$2,142	\$1,654	\$1,486
Median monthly mortgage repayments	\$2,500	\$2,167	\$1,986
Unemployed	4.1%	6.5%	6.3%
Professionals	34.1%	25.4%	23.6%
Owned outright	45.5%	34.3%	32.2%
Owned with mortgage	31.4%	30.8%	32.3%
Rented	20.5%	31.7%	31.8%

*Rental performance graph represents aggregate house median rent prices in the following suburbs: Mortdale, Oatley, Hurstville Grove, Penshurst, Lugarno, and Peakhurst Heights. Annual change is a comparison between 2016 and 2017 median rent figures.
Source: APM Pricefinder, SQM Research, ABS Census 2016. © Copyright PRDnationwide 2018.

PROJECT DEVELOPMENT MAP 1st HALF 2018*



Location	Project**	Type	Estimated Value***	Commence Date****
1	Forest Road Commercial Complex	Commercial	\$50,922,000	23/04/2018
2	Littleton St Carpark & Commercial Building	Commercial	\$7,500,000	14/05/2018
3	The Church of the Living God	Commercial	\$4,186,000	07/05/2018
4	Meridian Hotel Hurstville	Commercial	\$1,200,000	06/03/2018
5	Forest Road Medical Centre Fitout	Commercial	\$736,000	15/02/2018
6	Penshurst Hotel	Commercial	\$700,000	06/01/2018
7	Dora Street Mixed Development (51 units)	Mixed Use	\$23,401,000	01/03/2018
8	Treacy St Mixed Development- Imperial Hurstville (42 units)	Mixed Use	\$11,352,000	18/06/2018
9	Belmore Road Mixed Use Building (9 units)	Mixed Use	\$2,800,000	21/05/2018
10	Pearce Avenue & Lawrence Street Apartments (21 units)	Residential	\$5,300,000	16/04/2018
11	George Street Units (9 units)	Residential	\$2,887,000	02/04/2018
12	Trafalgar Street Units (15 units)	Residential	\$2,700,000	13/03/2018
13	Macquarie Place Units (10 units)	Residential	\$2,600,000	25/06/2018
14	Mercury Street Units (12 units)	Residential	\$2,490,000	25/06/2018
15	Preka Parade Units (14 units)	Residential	\$2,150,000	03/01/2018
16	Amy Road Housing Developments (5 dwellings)	Residential	\$1,300,000	19/06/2018
17	Forest Road Dwellings (6 dwellings)	Residential	\$1,200,000	28/01/2018
18	Amy Road Dwellings (4 dwellings)	Residential	\$1,193,000	18/06/2018
19	Samuel Street Dwellings (3 dwellings)	Residential	\$1,100,000	05/03/2018
20	Clarendon Street Dwellings (4 units)	Residential	\$918,000	05/02/2018

*Disclaimer: Project development map showcases a sample of upcoming projects only, due to accuracy of addresses provided by the data provider for geocoding purposes.

**Projects refers to the top developments within the Georges River Council area.

***Estimated value is the value of construction costs provided by relevant data authority, it does not reflect the project's sale/commercial value.

****Commencement date quoted for each project is an approximate only, as provided by the relevant data authority, PRDNationwide does not hold any liability to the exact date.

Source: Cordell Database, ESRI ArcGIS, Department of Planning and Environment NSW, Georges River City Council. © Copyright PRDNationwide 2018.

ABOUT PRDnationwide RESEARCH

PRDnationwide's research division provides reliable, unbiased, and authoritative property research and consultancy to clients in metro and regional locations across Australia

Our extensive research capability and specialised approach ensures our clients can make the most informed and financially sound decisions about residential and commercial properties.

OUR KNOWLEDGE

Access to accurate and objective research is the foundation of all good property decisions

As the first and only truly knowledge based property services company, PRDnationwide shares experience and knowledge to deliver innovative and effective solutions to our clients.

We have a unique approach that integrates people, experience, systems and technology to create meaningful business connections. We focus on understanding new issues impacting the property industry; such as the environment and sustainability, the economy, demographic and psychographic shifts, commercial and residential design; and forecast future implications around such issues based on historical data and fact.

OUR PEOPLE

Our research team is made up of highly qualified researchers who focus solely on property analysis

Skilled in deriving macro and micro quantitative information from multiple credible sources, we partner with clients to provide strategic advice and direction regarding property and market performance. We have the added advantage of sourcing valuable and factual qualitative market research in order to ensure our solutions are the most well considered and financially viable.

Our experts are highly sought after consultants for both corporate and government bodies and their advice has helped steer the direction of a number of property developments and secured successful outcomes for our clients.

OUR SERVICES

Our research services span over every suburb, LGA, and state within Australia; captured in a variety of standard and customized products

We have the ability and systems to monitor market movements, demographic changes and property trends. We use our knowledge of market sizes, price structure and buyer profiles to identify opportunities for clients and provide market knowledge that is unbiased, thorough and reliable.



OUR SERVICES INCLUDE:

- Advisory and consultancy
- Market Analysis including profiling and trends
- Primary qualitative and quantitative research
- Demographic and target market Analysis
- Geographic information mapping
- Project Analysis including product and pricing recommendations
- Rental and investment return analysis

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