



**Dapto**  
Property Factsheet  
1st Half 2018





## MARKET CONDITIONS

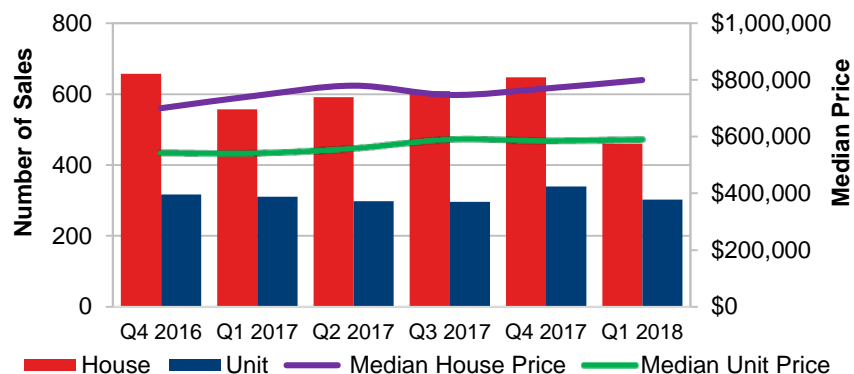
The Dapto\* market is showing signs of great promise in 2018, with the Q1 median house price recorded at \$645,000 and a median unit price of \$570,000. This represents an annual price change of 12.2% and 3.6% respectively, which although when compared to the annual price growth recorded in the 2<sup>nd</sup> half 2017 research report is lower (17.9% for houses and 10.7% for units), it signals a return towards a more sustainable market and increased affordability for first home buyers whilst still offering property owners positive returns.

The trend in Dapto\* is similar to the City of Wollongong LGA which recorded a median house price of \$800,000 and a median unit price of \$590,000, indicating 7.4% and 8.9% annual price growth between Q1 2017-Q1 2018. This is lower than the 2<sup>nd</sup> half 2017 research report growth (16.8% and 9.6% respectively). That said, Dapto\* offers a more affordable entry price compared to the LGA with home owners benefitting from a higher median price annual growth rate.

The average vendor discount in Dapto\* remains positive in Q1 2018 at 1.4% (houses) and 0.4% (units), suggesting a seller's market. That said, over the past 6 quarters Q1 2018 represents the lowest positive percentage of average vendor discount. Now is the perfect time to transact in Dapto\* as sellers are achieving higher final sale prices than first list asking price, yet buyers are benefitting from increased affordability.

The Dapto\* rental market continues to be rewarding for investors, as weekly median house rent has increased by 8.9% over the past 12 months to \$490 as of Q1 2018. Similarly, the unit rental market has had positive growth of 2.7% to \$385 per week in Q1 2018. With an extremely low vacancy rate of 1.0% in December 2017, much lower than Sydney Metro's 2.6%, Dapto\* is an investment market not to be missed.

## CITY OF WOLLONGONG GROWTH



## OVERVIEW

Dapto is a suburb of Wollongong located on the western side of Lake Illawarra and approximately 1.5 hours north from the Sydney CBD. Dapto had a population of 10,730 in the ABS 2016 Census. Wollongong LGA was populated by 203,650 people in 2016, representing 5.8% growth over the past 5 years and creating a spill-over increase in demand effect into Dapto.

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

## FUTURE DEVELOPMENTS\*\*

Dapto\* is set to see approximately \$94.9M of future projects commencing between 2017 and the 1<sup>st</sup> half of 2018, the majority of which (74.0% or \$70.2M) is commercial.

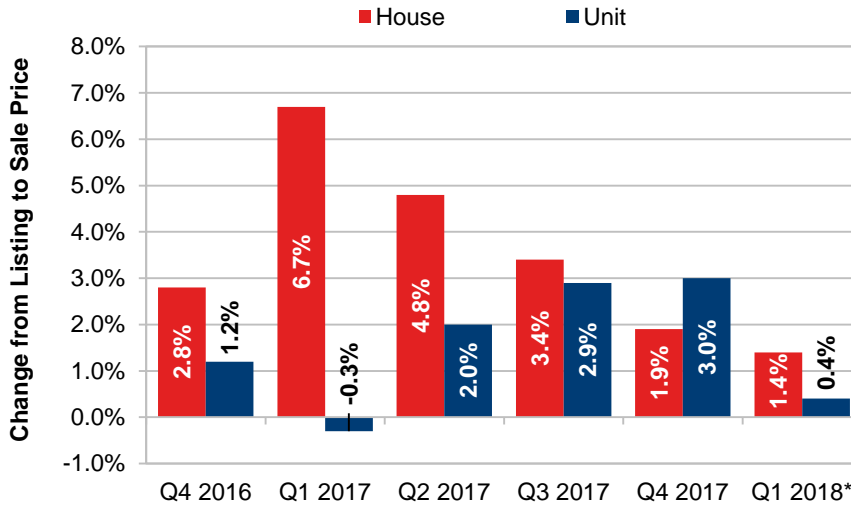
A major commercial development is the Illawarra International Health Precinct, estimated at \$70.0M and due to have commenced construction in mid-2017. The new hospital will further stimulate the Dapto\* local economy as it will create new jobs and attract more population, resulting in positive spill-over effects on the property market.

In total Dapto\* plans to add 26 dwellings, 252 subdivision lots, 34 townhouses, and 13 villas between 2017 and the 1<sup>st</sup> half of 2018. This will further cater to property demands from the wider Wollongong LGA.

A major residential project is located in the nearby suburb of Horsley, the Mcphails Subdivision. Estimated at \$6.7M this will add 158 subdivision lots into the market. The Harvey St residential development, Birchgrove is the key residential project located in Dapto, estimated at \$5.6M and due to add 21 townhouses and 13 villas into the market.

\*Dapto market data and key indicators encapsulates aggregate property market conditions in the 2530 postcode.  
\*\*Estimated values are based on construction value provided by the relevant data authority and does not reflect commercial and/or re-sale value.  
Source: APM Pricerfinder, realestate.com.au. © Copyright PRDnationwide 2018.

## AVERAGE VENDOR DISCOUNT



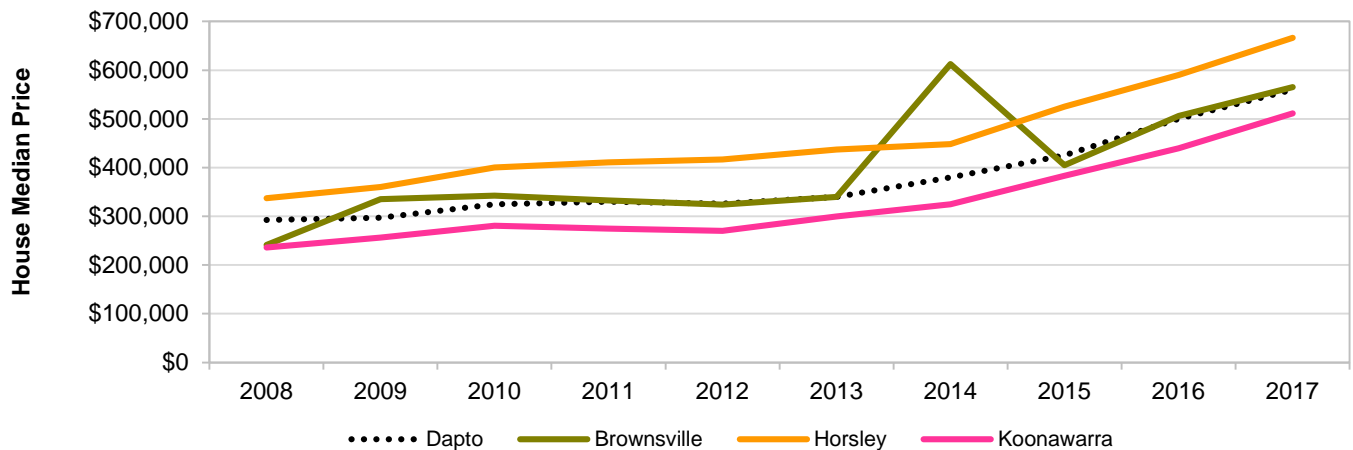
### AVERAGE VENDOR DISCOUNT

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.

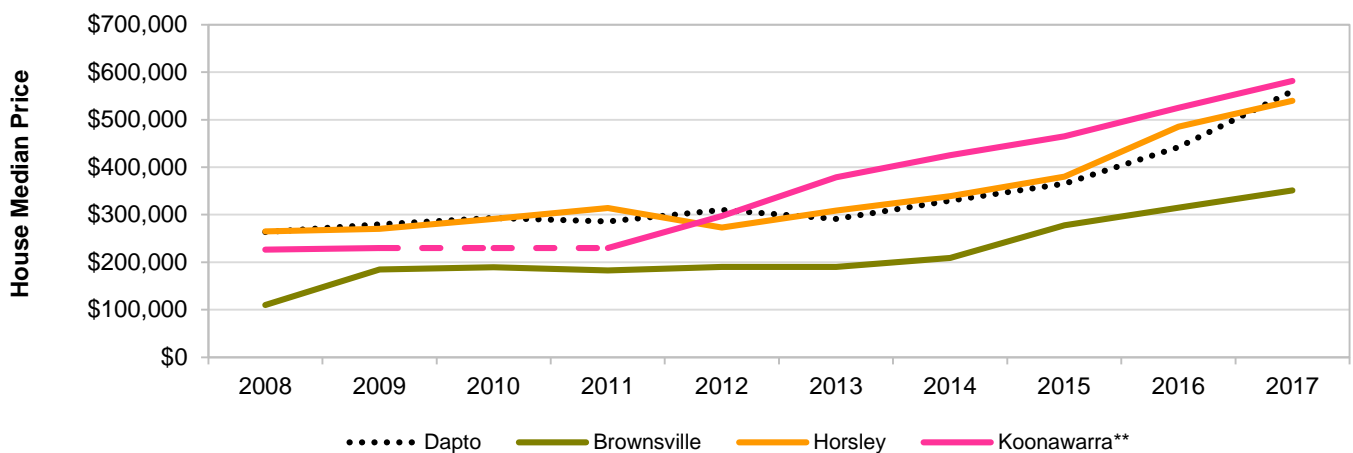
### MARKET COMPARISON GRAPH

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 Dapto. The main suburb is highlighted through a dotted black line graph.

## HOUSE MARKET COMPARISON



## UNIT MARKET COMPARISON

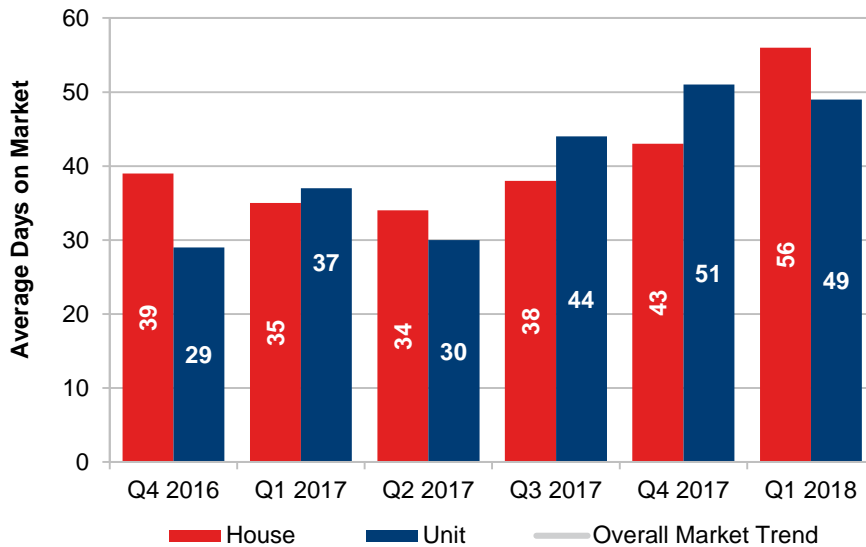


\*Q1 2018 market date represents sales from 01/01/2018 to 31/03/2018, capturing sales within the postcode 2350.

\*\*Dashed lines represents median price from previous known quarter is used to illustrate market conditions, due to no or limited number of sales in a particular timeframe.

Source: APM Pricerfinder. © Copyright PRDNationwide 2018.

## AVERAGE DAYS ON MARKET\*\*



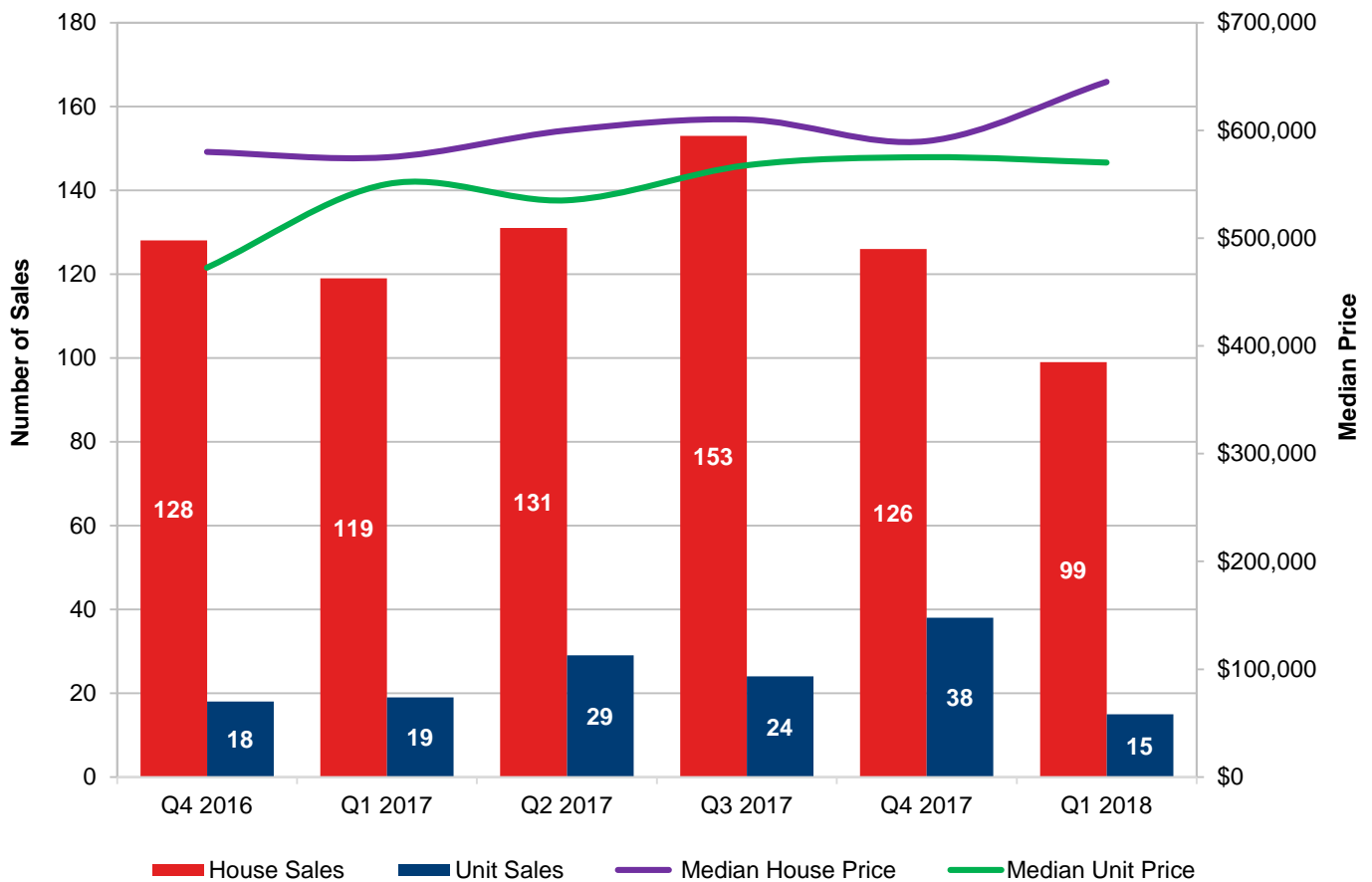
### HOUSE KEY FACTS Q1 2018

Median Sale Price: \$645,000  
 Annual Growth: 12.2%\*  
 Average Days on Market: 56  
 % Change between First Listed Price and Sold Price: 1.4%

### UNIT KEY FACTS Q1 2018

Median Sale Price: \$570,000  
 Annual Growth: 3.6%\*  
 Average Days on Market: 49  
 % Change between First Listed Price and Sold Price: 0.4%

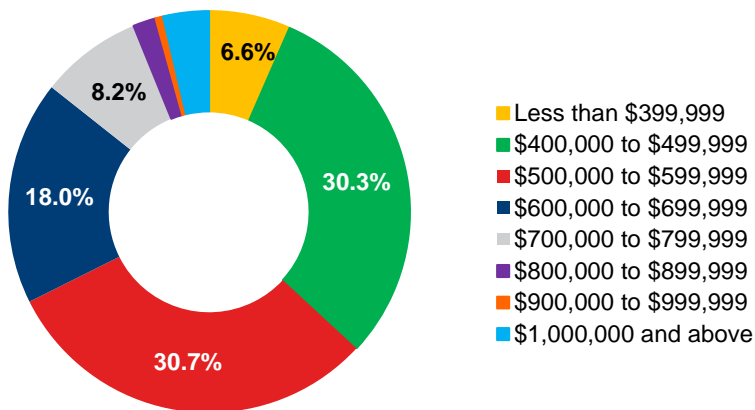
## SALES AND MEDIAN PRICE\*\*



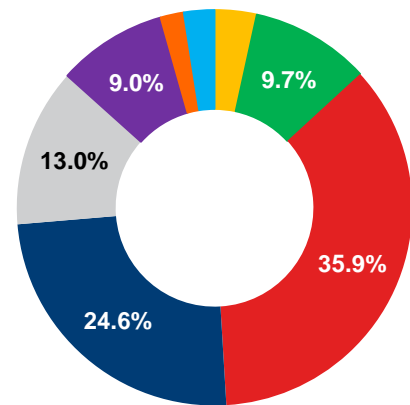
\*Annual growth represents price growth for property transactions between Q1 2017 to Q1 2018 (inclusive).  
 \*\*Dapto market data and key indicators encapsulates aggregate property market conditions in the 2530 postcode.  
 Source: APM Pricefinder, realestate.com.au, SQM Research. © Copyright PRDNationwide 2018.

## SALES PRICE POINT COMPARATIVE ANALYSIS

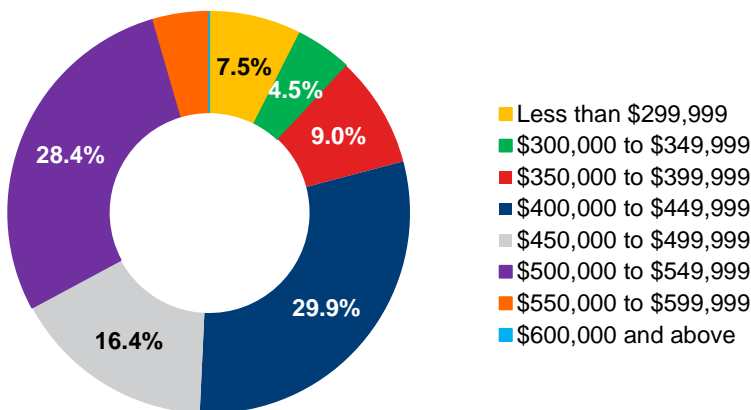
### HOUSE PRICE POINT 2016



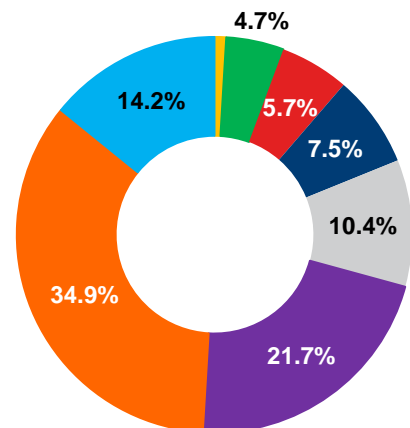
### HOUSE PRICE POINT 2017



### UNIT PRICE POINT 2016



### UNIT PRICE POINT 2017



#### KEY IMPLICATIONS - HOUSE

During 2017 the proportion of houses sold in Dapto\* remained within the \$500-\$600K price bracket, although the proportion increased from 30.7% in 2016 to 35.9%. There is a clear shift towards higher median house price points, with the \$600-\$700k bracket also increasing in proportion from 18.0% in 2016 to 24.6% in 2017. This is in line with reported 12.2% annual median price growth over the past 12 months.

There has been a dramatic shrinking in the \$400-\$500K market over the past 12 months from 30.3% to 9.7% in 2017. Those looking for more affordable options need to act fast to secure their entry into the market.

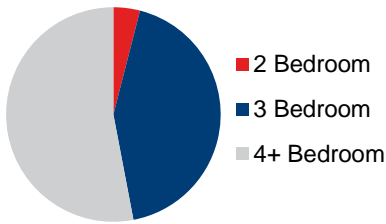
#### KEY IMPLICATIONS - UNIT

The Dapto\* unit market has transitioned towards a higher price bracket over the past 12 months, moving from the \$400-\$450K price bracket to \$550-\$600K. What's more, 2017 saw the creation of a new, higher priced market of above \$600K representing 14.2% of sales. This is quite a swing in price change, suggesting the need for more unit developments to cater for increasing demand.

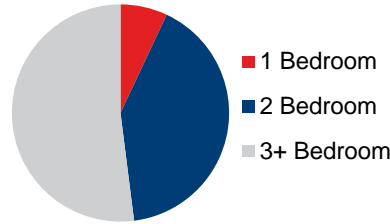
Those looking for affordable options to enter the market need to act fast, as the available pool of stock is quickly diminishing. In 2017 the proportion of sale for units in the \$400-\$450K price bracket decreased from 29.9% to 7.5%, highlighting a dramatic change in affordability.

## INVESTMENT ANALYSIS

### HOUSE



### UNIT



### HOUSE KEY FACTS Q1 2018\*

Median Rent Price: \$490 per week  
 Rental Yield: 3.9%  
 Average Days on Market: 26  
 Bedroom Breakdown:  
 2 Bed: 4%, 3 Bed: 43%, 4+ Bed: 53%

### UNIT KEY FACTS Q1 2018\*

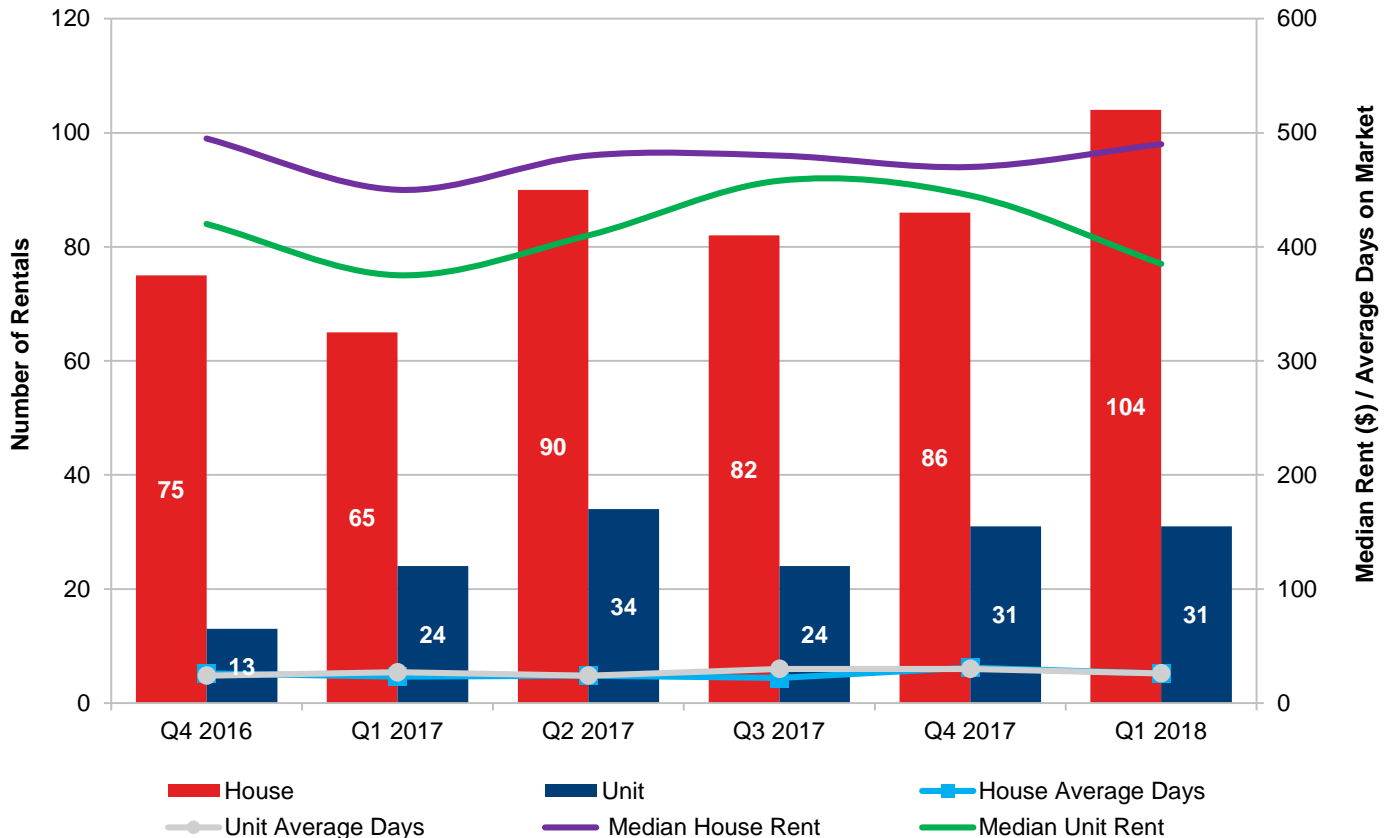
Median Rent Price: \$385 per week  
 Rental Yield: 4.3%  
 Average Days on Market: 26  
 Bedroom Breakdown:  
 1 Bed: 7%, 2 Bed: 41%, 3+ Bed: 52%

### KEY COMMENTS

Interest in Dapto\* is recorded at an average of 1,308 online visits per property, signifying a high demand market when compared to the NSW average of 879. Those looking to expand their property portfolio need to consider Dapto\*, as there is real rental return growth in the market. Median rental prices grew by 8.9% (houses) and 2.7% (units) over the past 12 months, which when accompanied by 60.0% (house) and 29.2% (units) growth in the number of properties rented, suggests an extremely healthy rental market.

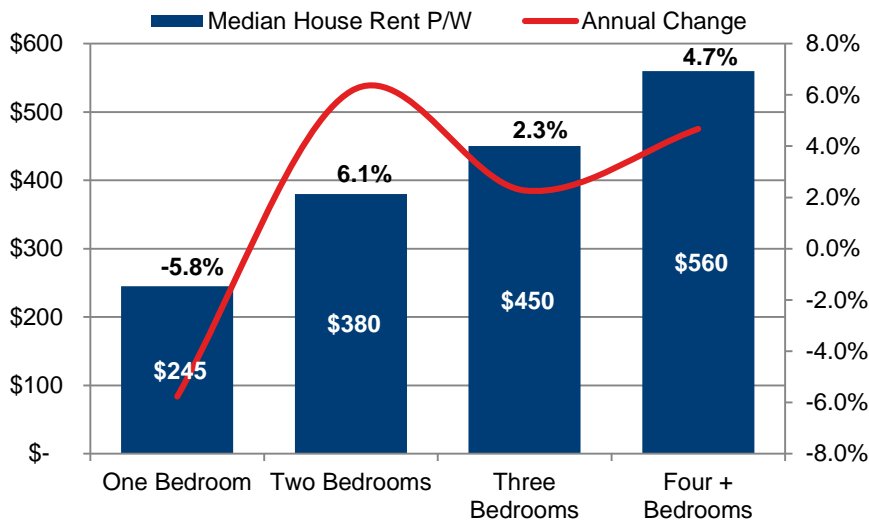


## MEDIAN RENT AND AVERAGE DAYS ON MARKET\*



\*Disclaimer: Dapto market data and key indicators encapsulates aggregate property market conditions in the 2530 postcode. Source: APM Pricerfinder, realestate.com.au, SQM Research. © Copyright PRDnationwide 2018.

## RENTAL PERFORMANCE 2017\*



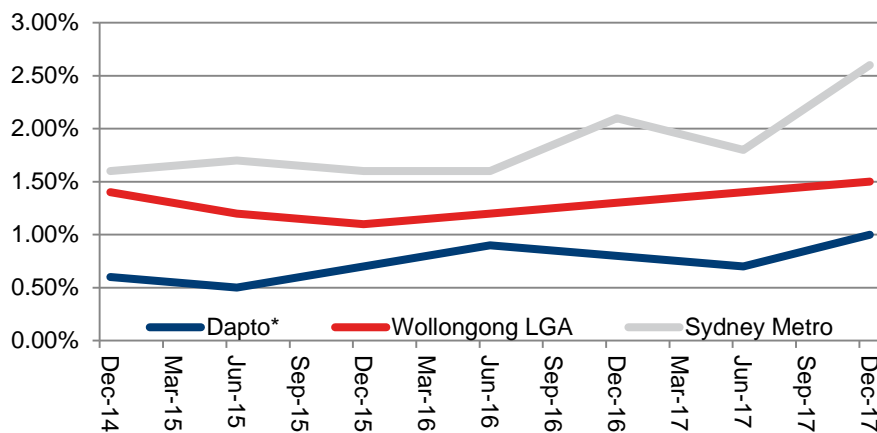
### KEY COMMENTS

Rental returns are particularly strong both in Dapto (individual suburb) and the surrounding postcode (2530), both surpassing the wider Wollongong LGA and Sydney Metro.

Two+ bedroom houses provide the highest annual rental growth at 6.1%.

Dapto\* vacancy rate sat at a low level of 1.0% in December 2017, lower than the Wollongong LGA (1.5%) and more than half of Sydney Metro (2.6%). Further, despite a slight upward trend in vacancy rate, it is at a slower pace than Sydney Metro, suggesting an extremely healthy rental market in Dapto\*.

## VACANCY RATES 2017



## RENTAL YIELD 2017

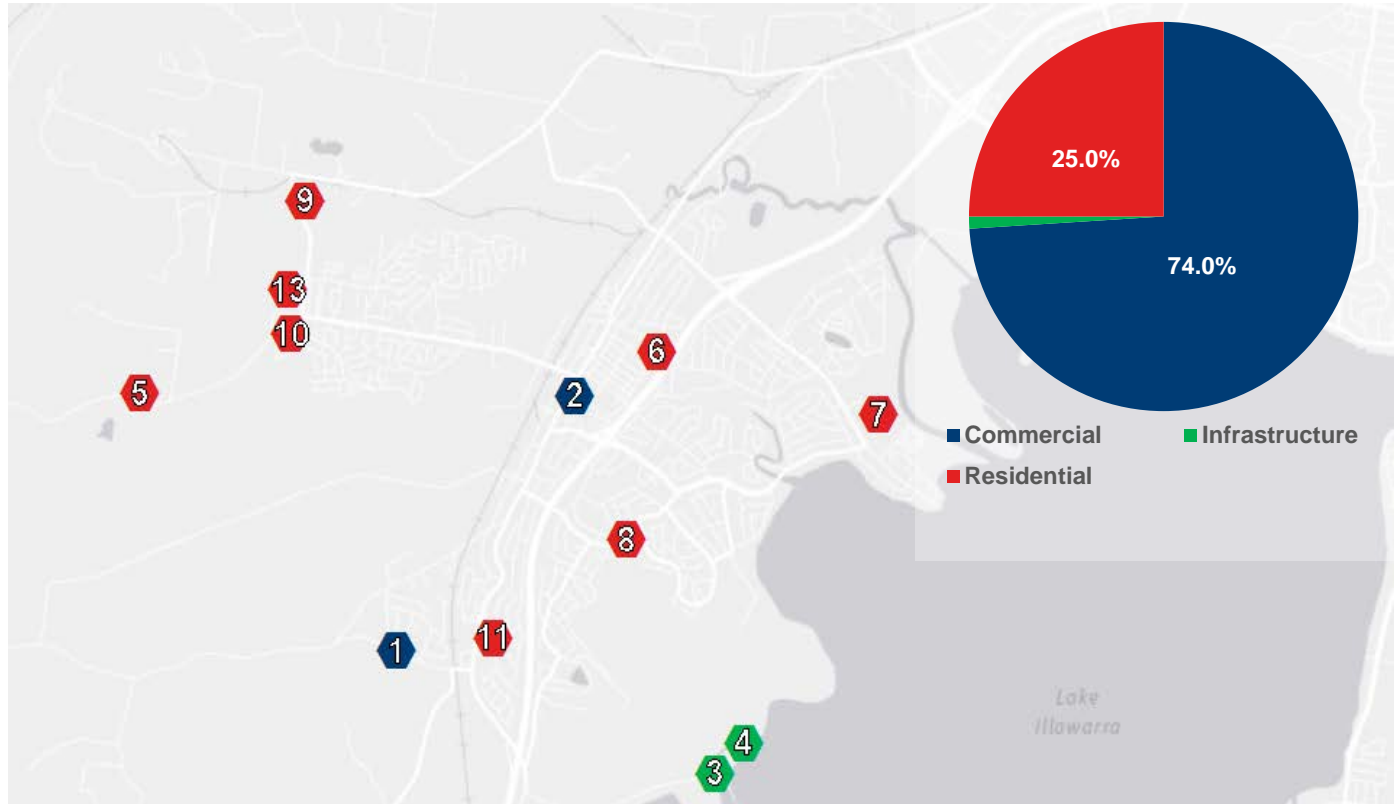
Suburb/Postcode/LGA	House Rental Yield	Unit Rental Yield
Dapto (suburb)	4.2%	3.7%
Postcode 2530	3.9%	4.3%
Wollongong City LGA	3.6%	3.7%
Sydney Metro	2.9%	3.8%

## KEY HOUSING DEMOGRAPHICS

	Dapto	Wollongong LGA	New South Wales
Median weekly household income	\$1,238	\$1,339	\$1,486
Median monthly mortgage repayments	\$1,733	\$1,950	\$1,986
Unemployed	7.5%	7.1%	6.3%
Professionals	12.8%	23.2%	23.6%
Owned outright	36.2%	34.8%	32.2%
Owned with mortgage	37.2%	31.1%	32.3%
Rented	22.6%	30.3%	31.8%

\*Rental performance graph represents aggregate house median rent prices in the 2530 postcode. Annual change is a comparison between 2016 and 2017 median rent figures. Source: APM Pricerfinder, SQM Research, ABS Census 2016. © Copyright PRDnationwide 2018.

## PROJECT DEVELOPMENT MAP 2017 - 1<sup>st</sup> HALF 2018\*



Location	Project**	Type	Estimated Value***	Commence Date****
1	Illawarra International Health Precinct – Specialist & Surgicentre	Commercial	\$70,000,000	02/06/2017
2	McDonalds Restaurant Dapto	Commercial	\$200,000	03/10/2017
3	Yallah Bay Road Bridge 1	Infrastructure	\$578,000	20/11/2017
4	Yallah Bay Road Bridge 2	Infrastructure	\$344,000	20/03/2017
5	Mcpahils Subdivison- Brooks Beach (158 Lots)	Residential	\$6,720,000	29/05/2017
6	Harvey Street Residential Development – Birchgrove (21 Townhouses and 13 Villas)	Residential	\$5,570,000	08/05/2017
7	Kanahooka Road Dwellings (23 Dwellings)	Residential	\$3,080,000	26/08/2017
8	Emerson Road Townhouses (7 Townhouses)	Residential	\$1,750,000	28/05/2018
9	Greenview Estate Horsley (37 Lots)	Residential	\$1,750,000	11/09/2017
10	Iredell Road & Shone Avenue Subdivision (33 Lots)	Residential	\$1,650,000	30/04/2018
11	Mount Brown Road Dwellings (6 Townhouses)	Residential	\$1,264,000	16/10/2017
Not mapped	Greenview Estate Horseley	Residential	\$1,200,000	12/05/2018
13	Alkira Circuit Dwellings (3 Dwellings)	Residential	\$750,000	20/05/2018

\*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 2530 postcode.

\*\*\*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, The Wollongong 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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