

Kogarah

Property Factsheet

1st Half 2018





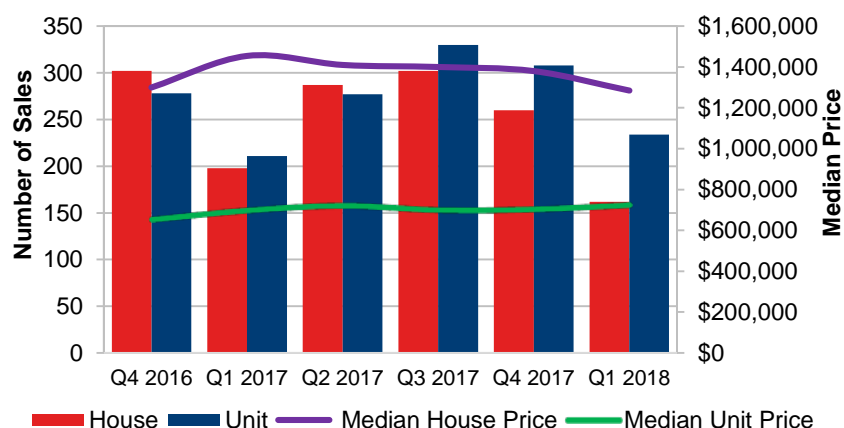
MARKET CONDITIONS

Kogarah* recorded a median house price of \$1,233,750 and \$670,000 for units in Q1 2018, representing an annual price change of -11.2% and -0.7% respectively. House prices in the Georges River Local Government Area (LGA) in Q1 2017-Q1 2018 softened by -18.2% to \$1,285,000 and unit prices grew by 3.7% to \$723,000. Compared to the LGA, Kogarah* offers more affordable options and particularly for houses, a more positive level of capital growth. The partial softening in Kogarah* is on par with Sydney's cooling in property prices, which suggests a return to a more sustainable level of growth. Now is the time for first home buyers to secure their dream property in a blue-chip residential area.

Average vendor discounting for houses has widened to -0.3%, while average discount for units widened to -2.7% over the past 12 months to Q1 2018. This represents a pivot from what has been a sellers' market over the past 2-3 years into becoming more of a buyers' market. A widening in average vendor discount suggests that sellers are more willing to accept a lower offer than their first asking price, thus now is the time for buyers seek out and secure more affordable opportunities. This also signals now is the time for sellers to transact in the market to ensure they fully capitalise on their investments.

Rental prices in Kogarah* are currently sitting at \$640 per week (houses) and \$495 per week (units). This represents a softening of -1.5% for houses, while units grew by 1.0% over the past 12 months to Q1 2018. Investors are benefiting from rental yields of 2.5% (houses) and 3.8% (units), similar to that of Sydney Metro. This further confirms Kogarah* as a good alternate location in which to invest outside the Sydney Metro area.

GEORGES RIVER COUNCIL GROWTH



OVERVIEW

Kogarah is a business park located approx. 12.7km from the Sydney CBD. It experienced a population increase of 26.3% between 2011 and 2016, yet the number of residential stock increased by 20.4%. This indicates that demand slightly exceeds supply and there's need for more stock to cater for the population growth.

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

FUTURE DEVELOPMENTS**

Kogarah and surrounding suburbs* are set to see approx. \$218.4M of projects commencing in the 1st half of 2018. Mixed-use accounted for the majority of the development value (\$208.1M or 95.3%). This is followed by residential (\$7.7M or 3.5%), and commercial (\$2.6M or 1.2%).

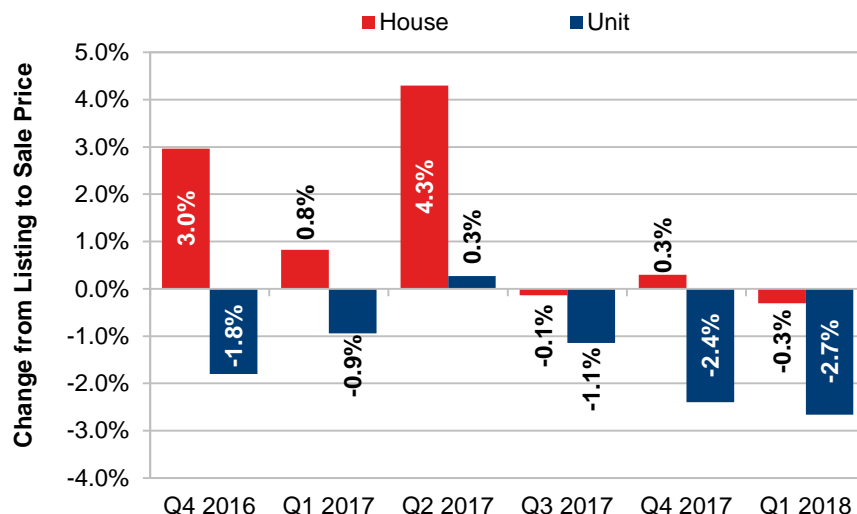
A significant project commencing in the 1st half of 2018 is the Darrell Lea Factory Site, Blocks B-G Ramsgate Park, Stage 1. This mixed-use project (worth approx. \$153.2M) involves demolition of existing structures and associated factory facilities, followed by construction of 513 units and 20 townhouses. The project will also see land set aside for a child care centre, gym, communal spaces and 639 parking spaces.

The Princes Hwy Mixed Development - ANEW Rockdale worth approx. \$24.3M is another key mixed-use project. This will add 86 units and 3 retail spaces.

In total, 725 units and 28 townhouses will begin in the 1st half of 2018. While the main focus of development is on adding property stock, increase in local jobs from higher commercial activity will provide a good boost for socio-economic growth.

*Market data and key indicators for Kogarah encapsulates aggregate property market conditions in the following suburbs: Beverley Park, Bexley, Carlton, Kogarah, Kogarah Bay, and Rockdale. **Estimated values are based on construction value provided by the relevant data authority and does not reflect commercial and/or resale value. Quoted construction and completion dates are estimate only, as per relevant data authority. Source: APM Pricerfinder, realestate.com.au. © Copyright PRDNationwide 2018.

AVERAGE VENDOR DISCOUNT



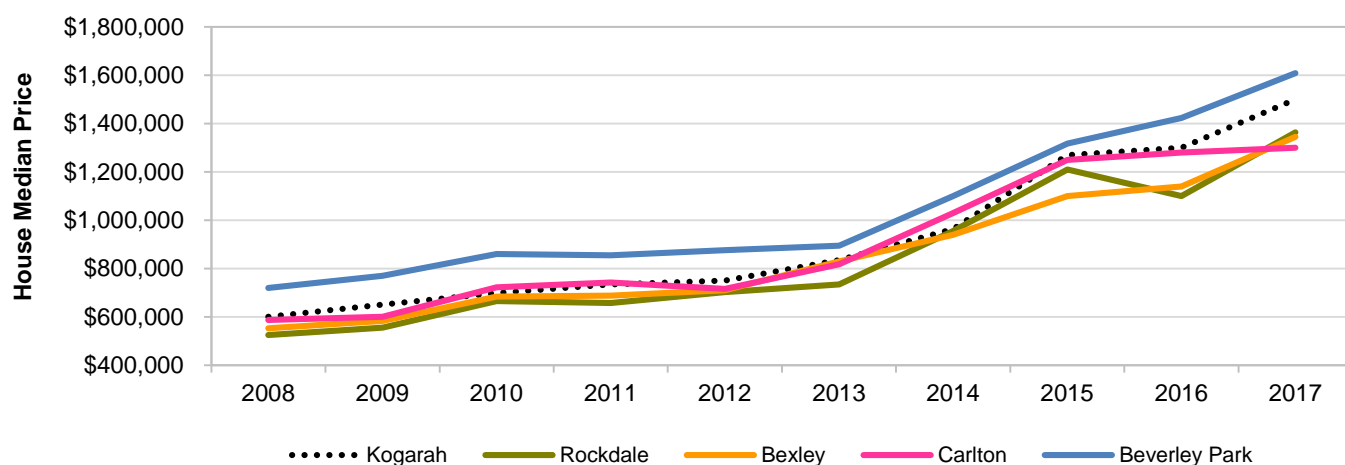
AVERAGE VENDOR DISCOUNT

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.

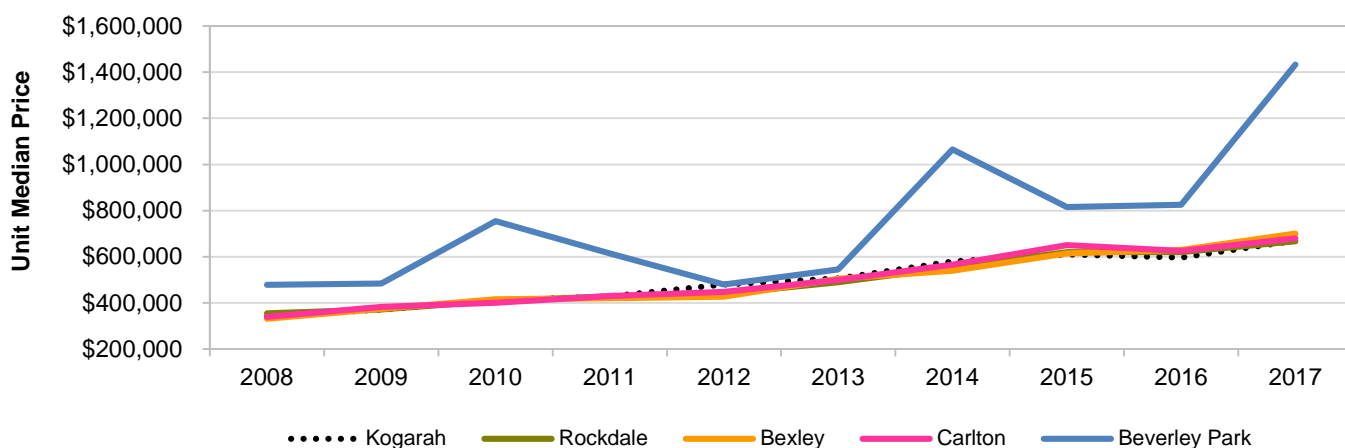
MARKET COMPARISON GRAPH

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

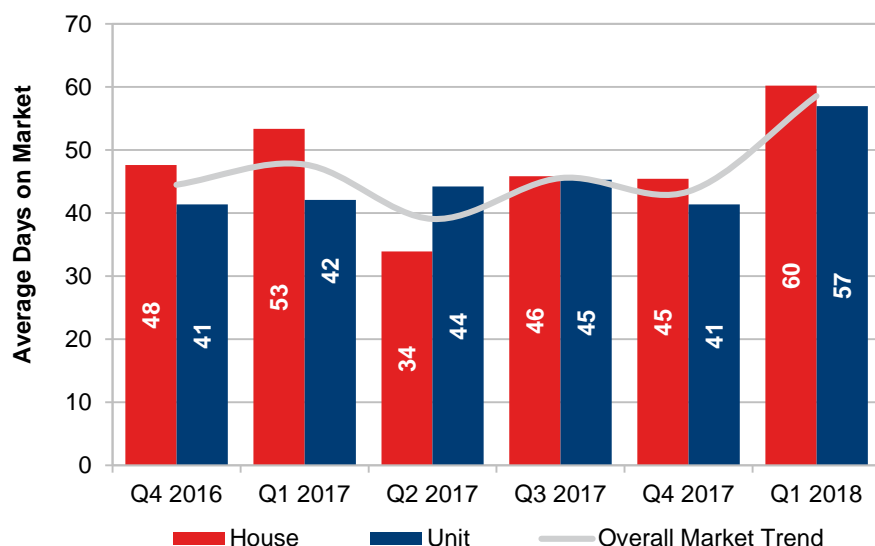
HOUSE MARKET COMPARISON



UNIT MARKET COMPARISON



AVERAGE DAYS ON MARKET**



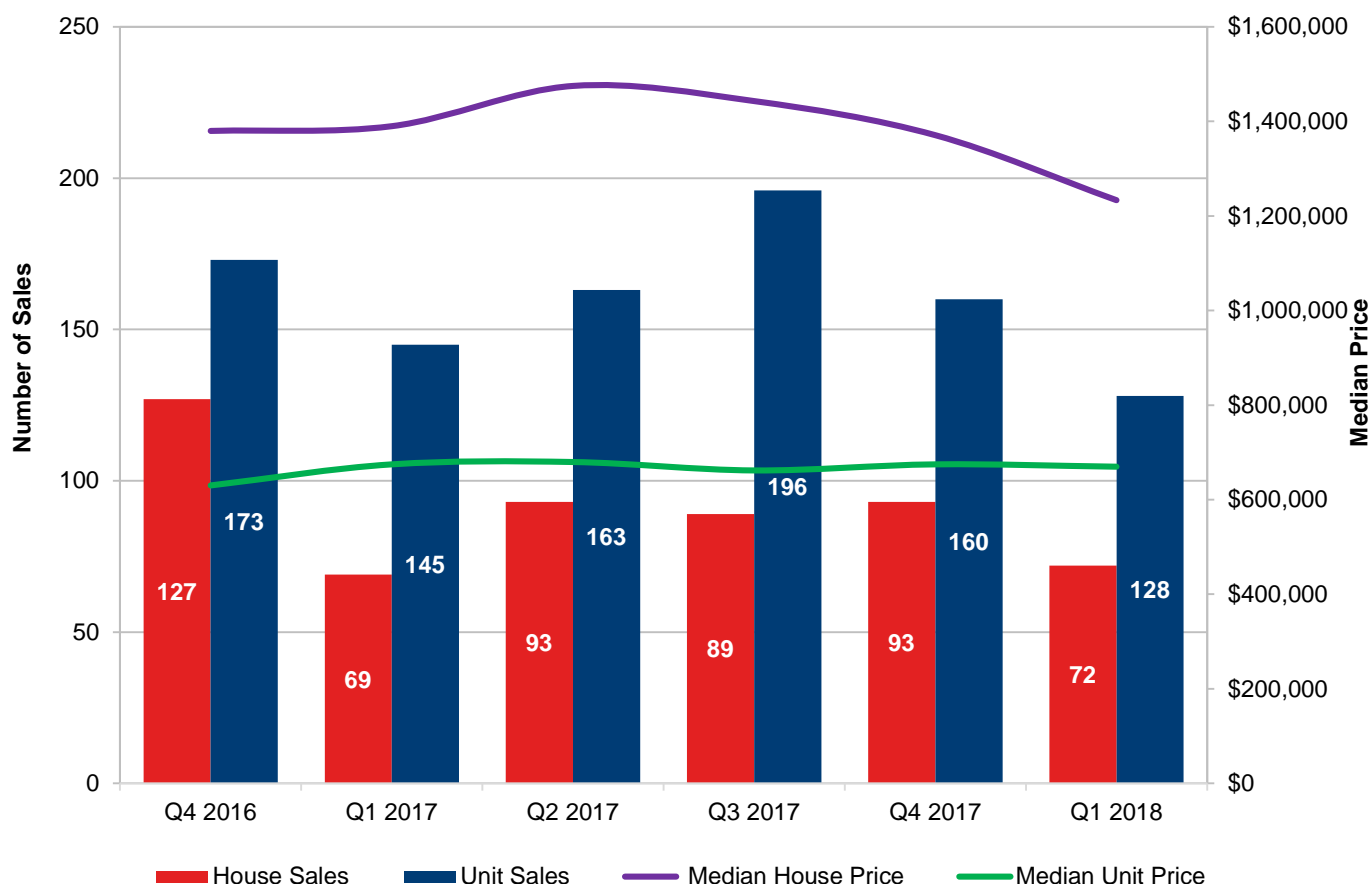
HOUSE KEY FACTS Q1 2018

Median Sale Price: \$1,233,750
Annual Growth: -11.2%***
Average Days on Market: 60
% Change between First Listed Price and Sold Price: -0.3%

UNIT KEY FACTS Q1 2018

Median Sale Price: \$670,000
Annual Growth: -0.7%***
Average Days on Market: 57
% Change between First Listed Price and Sold Price: -2.7%

SALES AND MEDIAN PRICE**



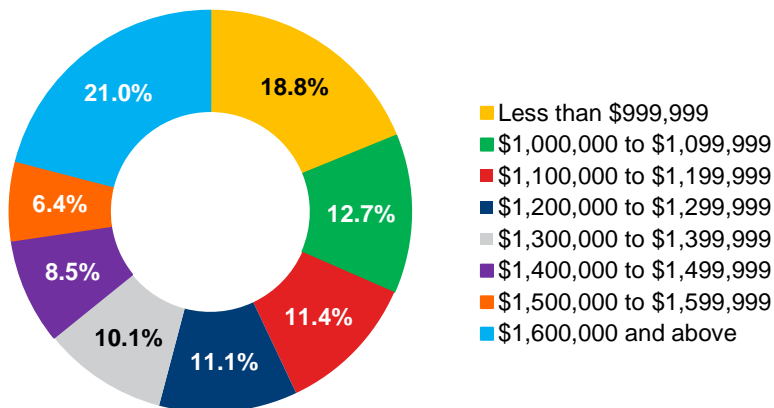
*Annual growth represents price growth for property transactions between Q4 2016 to Q4 2017 (inclusive).

**Market data and key indicators for Kogarah encapsulates aggregate property market conditions in the following suburbs: Beverley Park, Bexley, Carlton, Kogarah, Kogarah Bay, and Rockdale.

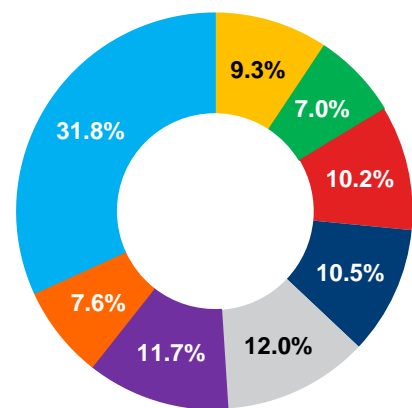
Source: APM Pricefinder, realestate.com.au, SQM Research. © Copyright PRDnationwide 2018.

SALES PRICE POINT COMPARATIVE ANALYSIS

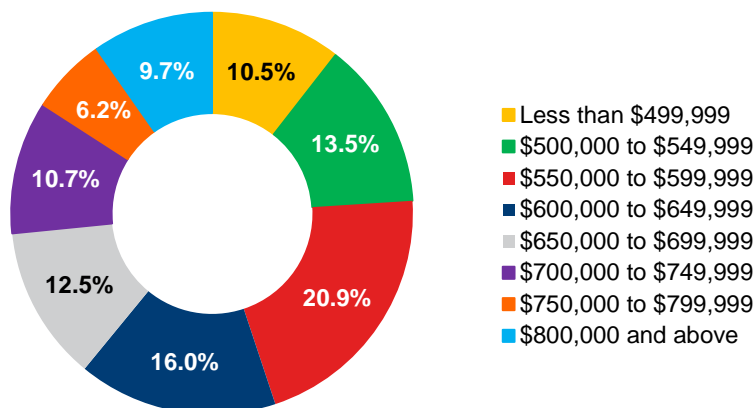
HOUSE PRICE POINT 2016



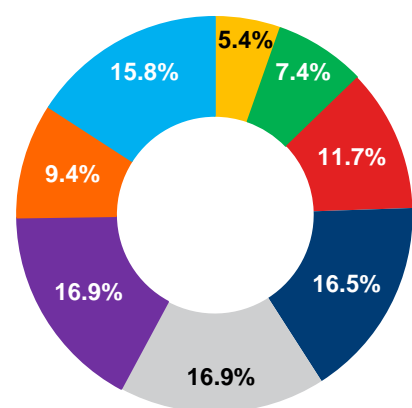
HOUSE PRICE POINT 2017



UNIT PRICE POINT 2016



UNIT PRICE POINT 2017



KEY IMPLICATIONS - HOUSE

The highest proportion of houses sold in Kogarah* during 2017 has remained within the \$1.6M and above price segment, however this has increased from 21.0% in 2016 to 31.8%. A significant decrease in the lowest end of the market (less than \$1.0M price range) has occurred between 2016 and 2017, from 18.8% to 9.3% of sales. These figures have more than halved, indicating a significant shift in affordability in Kogarah*.

In 2017 house sales in the second and third most affordable price brackets (\$1.0M-\$1.1M and \$1.2M-\$1.3M) shrank. Despite a softening in annual median price growth (of -11.2% to Q1 2018) Kogarah* has shifted towards a more premium market.

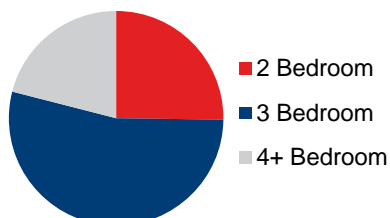
KEY IMPLICATIONS - UNIT

The Kogarah* unit market has shifted towards a more premium yet balanced dynamic in 2017, whereby there is now almost equal opportunity for every budget. In 2016 most sales were within the \$550K-\$650K range. In 2017 this shifted to the \$600K-\$750K range, with an equal amount of sales in each differing price brackets (approx. 16.9%).

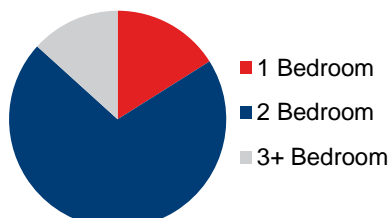
There was an increase in sales in the higher end bracket (\$800K+) from 9.7% to 15.8% in 2017, suggesting a move towards a more premium market. Further, sales in the lowest end (less than \$550K) has been halved from 24.0% in 2016 to 12.7% in 2017, confirming that affordable options are running out in Kogarah. First home buyers looking at this price bracket need to act fast.

INVESTMENT ANALYSIS

HOUSE



UNIT



HOUSE KEY FACTS Q1 2018

Median Rent Price: \$640 per week
Rental Yield: 2.5%
Average Days on Market: 22
Bedroom Breakdown:
 2 Bed: 25%, 3 Bed: 54%, 4+ Bed: 21%

UNIT KEY FACTS Q1 2018

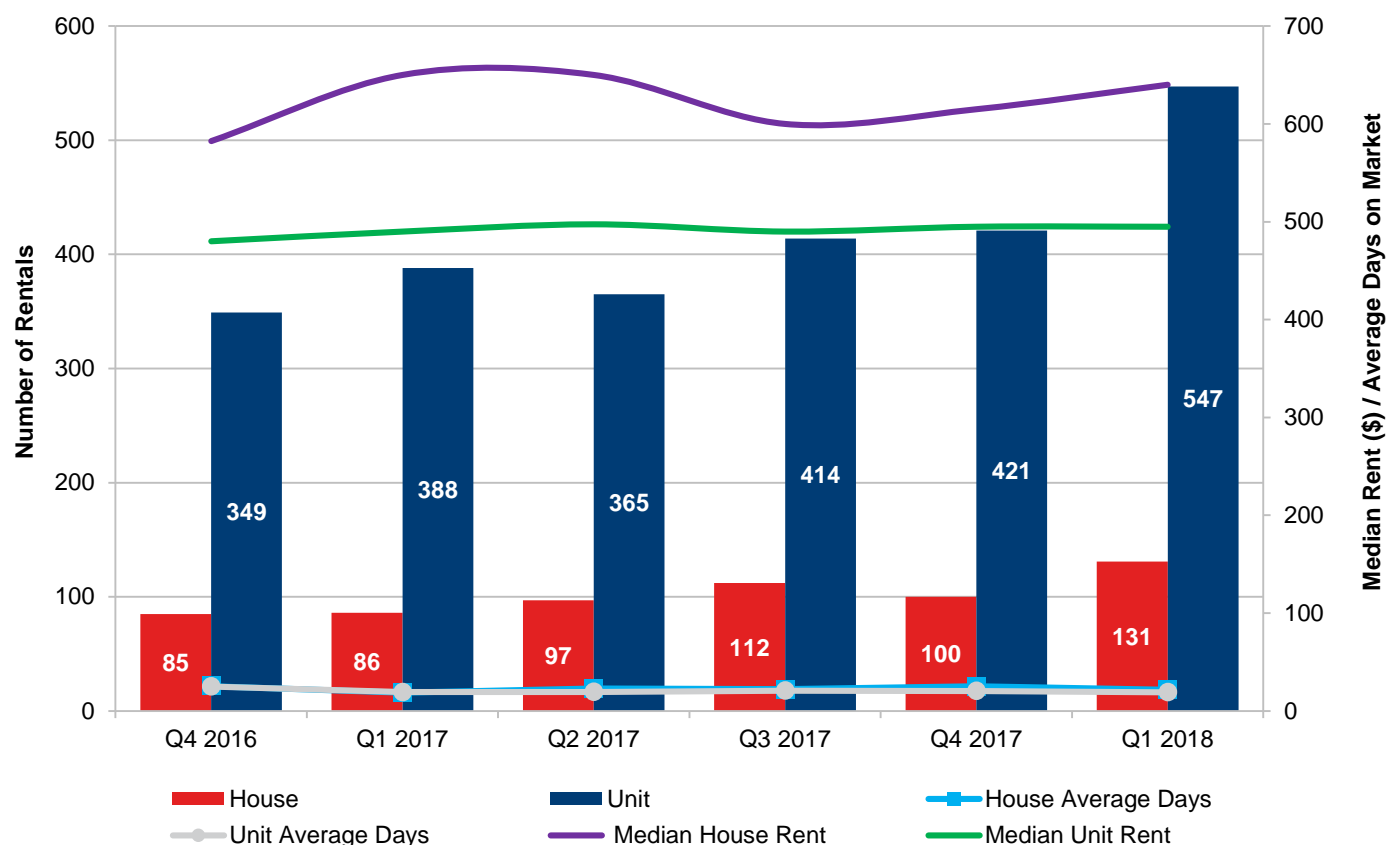
Median Rent Price: \$495 per week
Rental Yield: 3.8%
Average Days on Market: 19
Bedroom Breakdown:
 1 Bed: 16%, 2 Bed: 71%, 3+ Bed: 13%

KEY COMMENTS

Kogarah* recorded median rental price of \$640 p/w for houses and \$495 p/w for units, indicating a softening of -1.5% for houses, whilst units increased by 1.0%. That said, interest in Kogarah and surrounding areas* is high with 991 online visits per property, which is above the average for NSW (863). At the same time the number of properties rented have increased by 52.3% (houses) and 41.0% (units), suggesting a healthy demand. Kogarah* provides investors with a more affordable alternative location to invest outside of the Sydney Metro area.

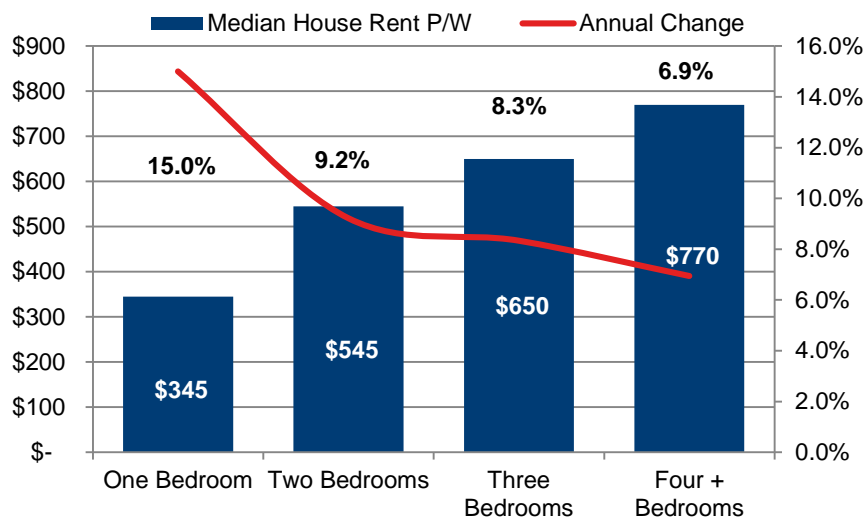


MEDIAN RENT AND AVERAGE DAYS ON MARKET*



*Disclaimer: Market data and key indicators for Kogarah encapsulates aggregate property market conditions in the following suburbs: Beverley Park, Bexley, Carlton, Kogarah, Kogarah Bay, and Rockdale.
 Source: APM Pricefinder, realestate.com.au, SQM Research. © Copyright PRDNationwide 2018.

RENTAL PERFORMANCE 2017*



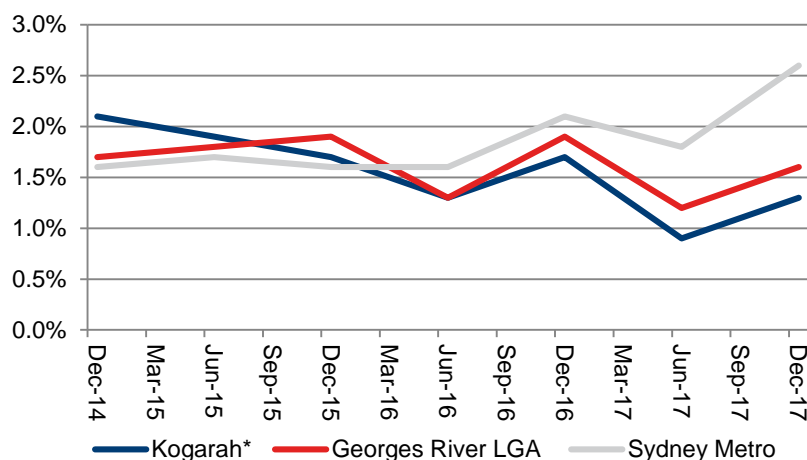
KEY COMMENTS

Astute investors in Kogarah* are currently benefitting from rental yields of 2.5% (house) and 3.8% (unit), on par with that of Sydney Metro at 2.9% (houses) and 3.8% (units).

One bedroom houses provide the highest annual rental growth at 15.0%, which currently sits at \$345 per week. Two bedroom houses comes second, at 9.2% annual growth.

Vacancy rates are low in Kogarah* and was sitting at 1.3% in December 2017. This is lower than both the Georges River LGA (1.6%) and Sydney Metro (2.6%). This indicates Kogarah* has healthy conducive rental demand for investment opportunities.

VACANCY RATES 2017



RENTAL YIELD 2017

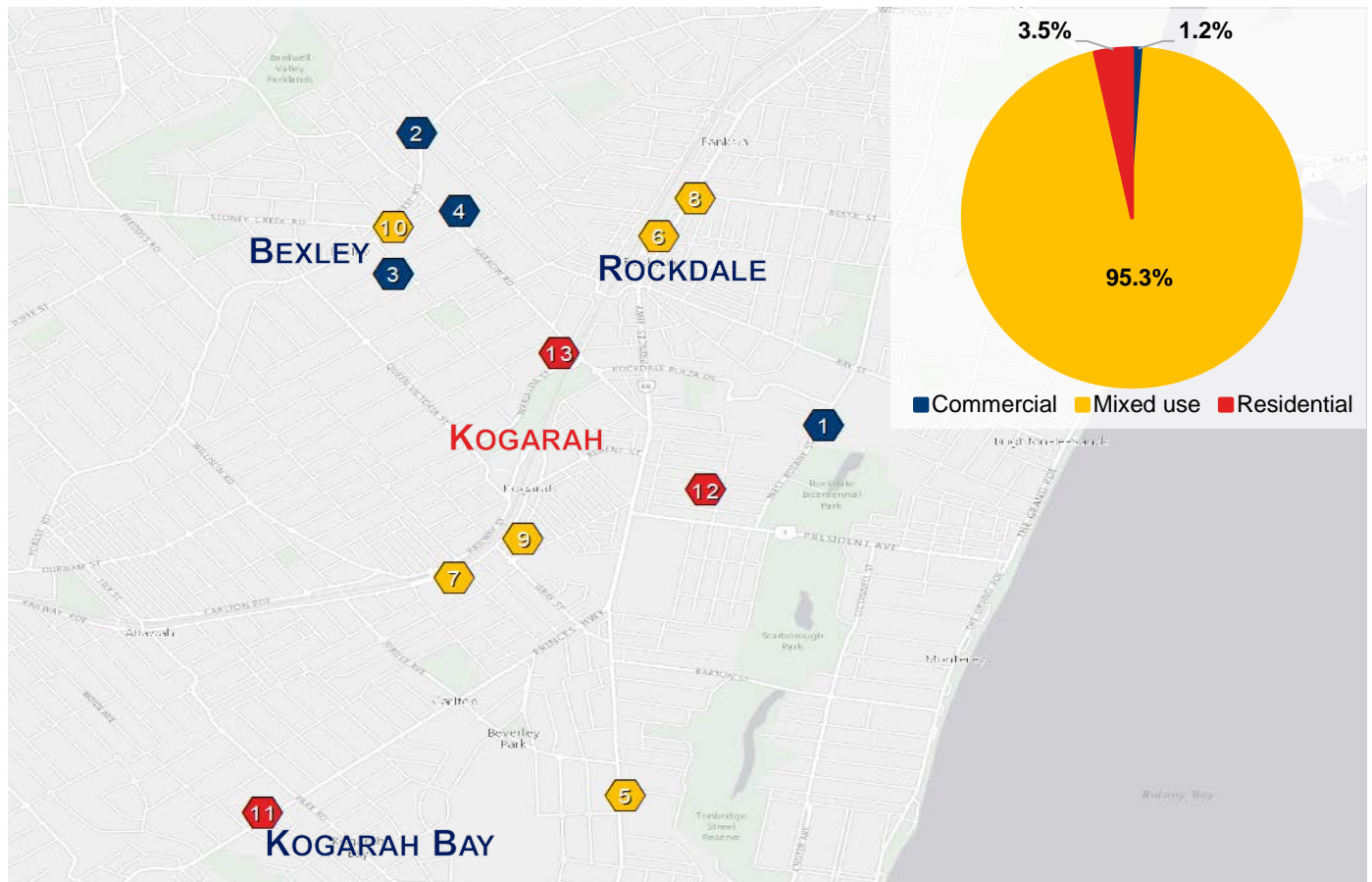
Suburb/ Postcode/ LGA	House Rental Yield	Unit Rental Yield
Kogarah*	2.5%	3.8%
St Georges River	2.4%	3.8%
Sydney Metro	2.9%	3.8%

KEY HOUSING DEMOGRAPHICS

	Kogarah	Rockdale LGA	Georges River LGA	New South Wales
Median weekly household income	\$1,626	\$1,575	\$1,654	\$1,486
Median monthly mortgage repayments	\$2,000	\$2,167	\$2,167	\$1,986
Unemployed	7.4%	6.2%	6.5%	6.3%
Professionals	27.1%	22.6%	25.4%	23.6%
Owned outright	23.2%	30.7%	34.3%	32.2%
Owned with mortgage	25.1%	28.9%	30.8%	32.3%
Rented	48.1%	36.7%	31.7%	31.8%

*Rental performance graph represents aggregate house median rent prices in the following suburbs: Beverley Park, Bexley, Carlton, Kogarah, Kogarah Bay, and Rockdale. 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	BP Service Station Rockdale	Commercial	\$1,430,000	15/01/2018
2	Forest Rd Boarding House	Commercial	\$489,000	26/03/2018
3	Fairmont Aged Care Centre	Commercial	\$341,000	12/06/2018
4	Scalabrini Village Bexley	Commercial	\$334,000	14/02/2018
5	Darrell Lea Factory Site - Blocks B-G - Ramsgate Park - Stage 1 (513 units; 20 townhouses)	Mixed use	\$153,180,000	28/03/2018
6	Princes Hwy Mixed Development - ANEW Rockdale (86 units)	Mixed use	\$24,324,000	04/06/2018
7	Railway Parade Mixed Use Development (45 units)	Mixed use	\$16,295,000	15/01/2018
8	Princes Hwy Mixed Development - The Wave (35 units)	Mixed use	\$11,536,000	25/06/2018
9	Derby St Mixed Development (15 units)	Mixed use	\$2,400,000	19/05/2018
10	Forest Road Mixed Development (1 unit)	Mixed use	\$400,000	05/03/2018
11	Princes Highway Units (22 units)	Residential	\$4,400,000	23/04/2018
12	Green St Townhouses (8 townhouses)	Residential	\$1,756,000	16/04/2018
13	Warialda St Units (8 units)	Residential	\$1,540,000	07/05/2018

*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 suburbs of Beverley Park, Bexley, Carlton, Kogarah, Kogarah Bay, and Rockdale

***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 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

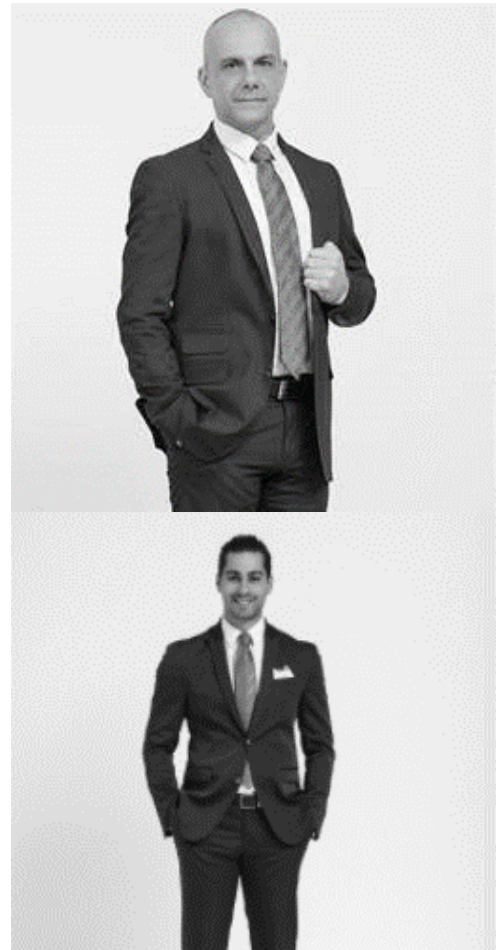
Skilled in deriving macro and micro quantitative information from multiple credible sources, we partner with clients to provide strategic advice and direction regarding property and market performance. We have the added advantage of sourcing valuable and factual qualitative market research in order to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



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