



Dapto
Property Factsheet
2nd Half 2018





MARKET CONDITIONS

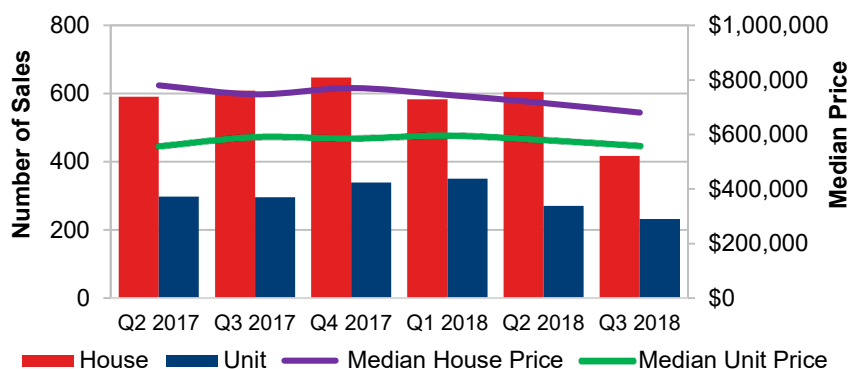
The Dapto* market recorded a median house price of \$620,000 and median unit price of \$550,000 in Q3 2018, which represented an annual (Q3 2017 – Q3 2018) price change of 1.6% and -3.1% respectively. Compared to *Dapto 1st Half 2018 Research Factsheet*, which reported an annual (Q1 2017 – Q1 2018) median price change of 12.2% (house) and 3.6% (units), properties in Dapto* have become more affordable.

Annual (Q3 2017-Q3 2018) median property prices have softened in the City of Wollongong Local Government Area (LGA), by -9.0% to \$680,000 for houses and by -5.1% to \$560,000 for units. Compared to the LGA, the Dapto* market has proven to be more resilient in terms of median price movement, providing owners and investors with higher capital growth. Furthermore the Dapto* house and unit markets are priced lower compared to the LGA, making it an extremely attractive market for first time home buyers.

Average vendor discount for houses swung from 3.4% in Q3 2017 to -5.8% in Q3 2018 for houses, and from 2.9% to -7.8% for units. This suggests now is an ideal time for first time house hunters to enter the market, as sellers are willing to negotiate below the first list asking price. Owners wanting to maximise their capital growth, or minimize risks, may consider selling options; as the median price trend in Dapto* seems to mirror the softening trend in Sydney Metro.

Median house rent price has increased in Dapto*, by 3.1% to \$495 per week over the past 12 months to Q3 2018. Median unit rent price however has softened considerably during the same timeframe, by -20.3% to \$365 per week. That said investors are benefiting from rental yields of 3.9% (house) and 3.8% (units), higher than Sydney Metro. Thus Dapto* remains an ideal alternate location to invest outside the Sydney Metro area.

CITY OF WOLLONGONG GROWTH



OVERVIEW

Dapto is a suburb of Wollongong in the Illawarra region, just under two hours away from Sydney CBD. According to ABS Census 2016 only 6.6% of private dwellings were unoccupied, lower than the New South Wales average of 9.9%. Further, the number of private dwellings grew by 2.1% during this time, signalling a healthy rental market for investment.

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 invest approximately \$335.9M of future developments in the 2nd half of 2018, 90.6% of which is dedicated to improving infrastructure services. This will further improve connectivity to major business hubs as well as liveability for current and future residents.

A key infrastructure project is the West Dapto Urban Release Area (\$250.0M). This will create a new and improved water and waste water management system for Dapto*, enhancing liveability for residents.

A total of 22 units, 216 subdivision lots, 21 townhouses, and 15 dwellings are planned for Dapto* in the 2nd half of 2018; which will be delivered by a mixed-use development and 4 residential projects.

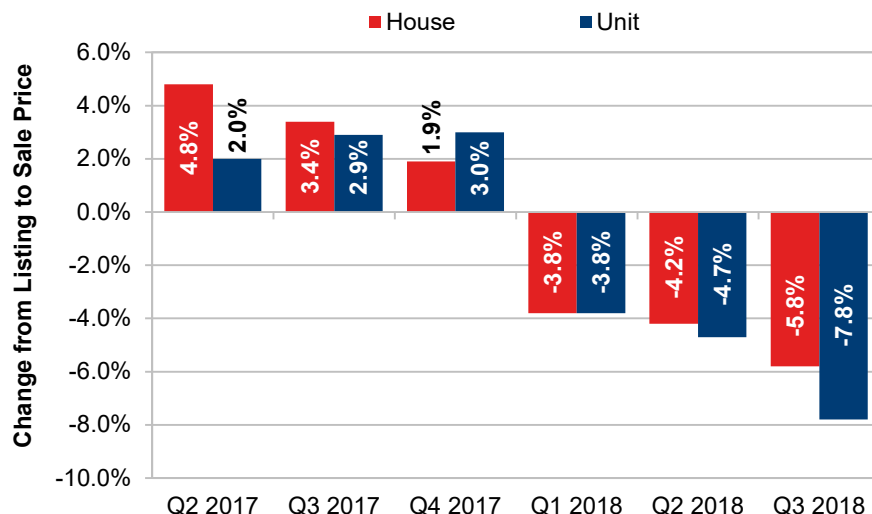
The Princess Highway Units (\$5.0M) is the key mixed-use development, and will deliver 22 units as well as 241.1sqm of commercial space. This is a mutually beneficial strategy for adding stock whilst attracting more economic activity.

Residential projects include Avondale Rd Townhouse (\$7.5M, 21 townhouses) and Sanctuary Ponds East (\$2.3M, 20 lots).

*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



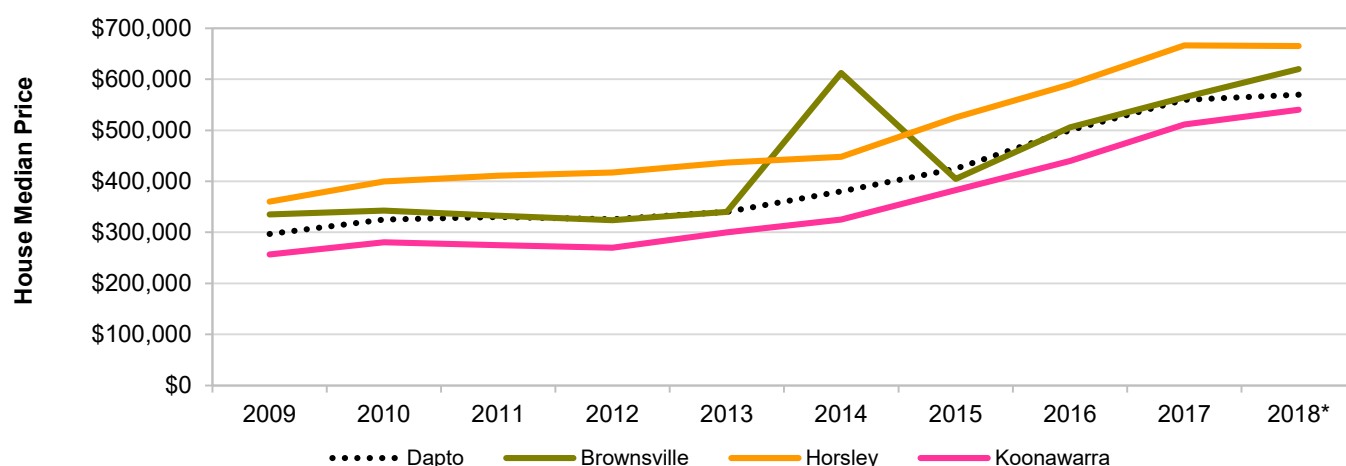
AVERAGE VENDOR DISCOUNT

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.

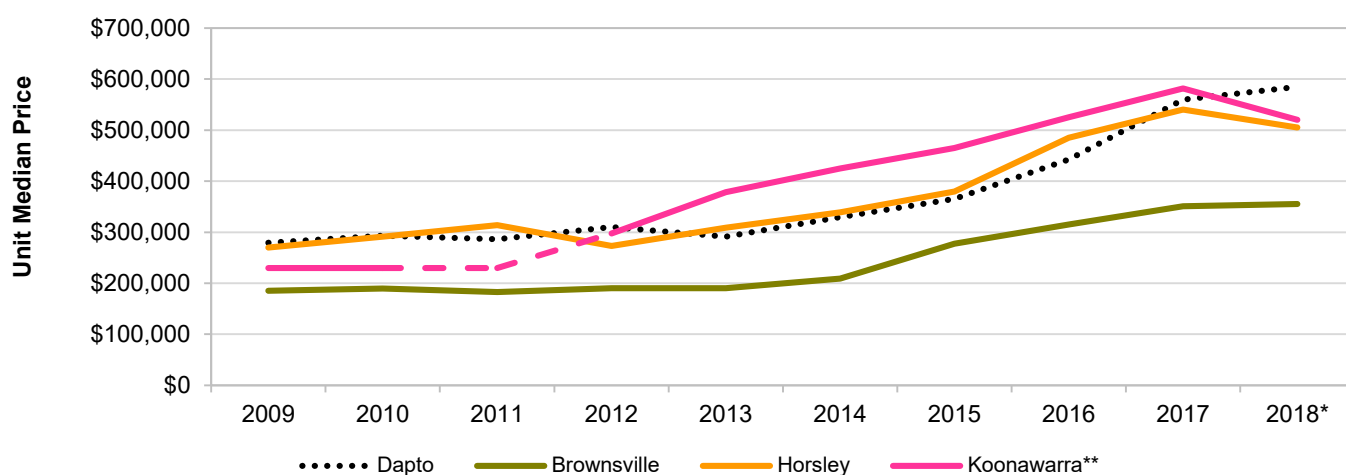
MARKET COMPARISON GRAPH

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

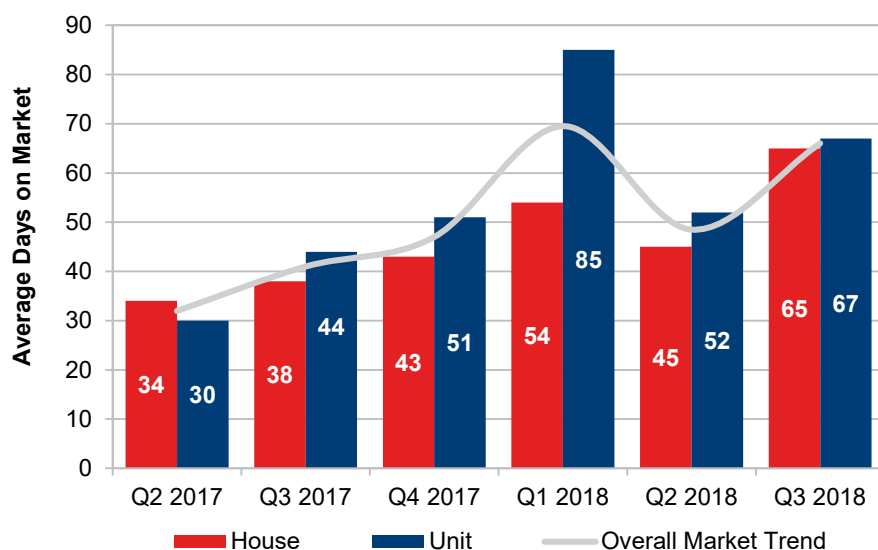


*Disclaimer: 2018 market date represents sales from 01/01/2018 to 30/09/2018, capturing sales within the postcode 2350.

**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 Pricerfindr. © Copyright PRDNationwide 2018.

AVERAGE DAYS ON MARKET**



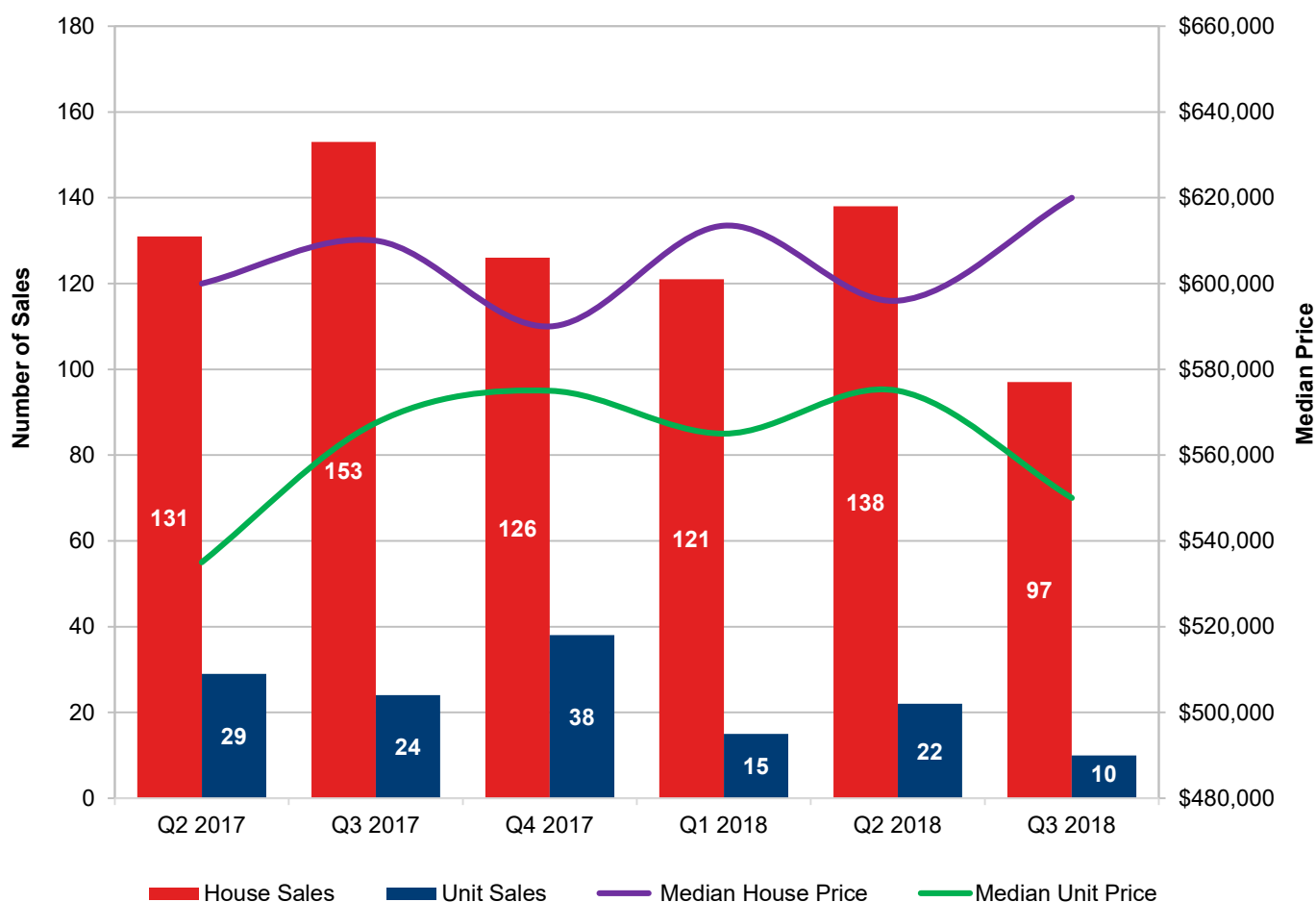
HOUSE KEY FACTS Q3 2018

Median Sale Price: \$620,000
Annual Growth: 1.6%*
Average Days on Market: 65
% Change between First Listed Price and Sold Price: -5.8%

UNIT KEY FACTS Q3 2018

Median Sale Price: \$550,000
Annual Growth: -3.1%*
Average Days on Market: 67
% Change between First Listed Price and Sold Price: -7.8%

SALES AND MEDIAN PRICE**

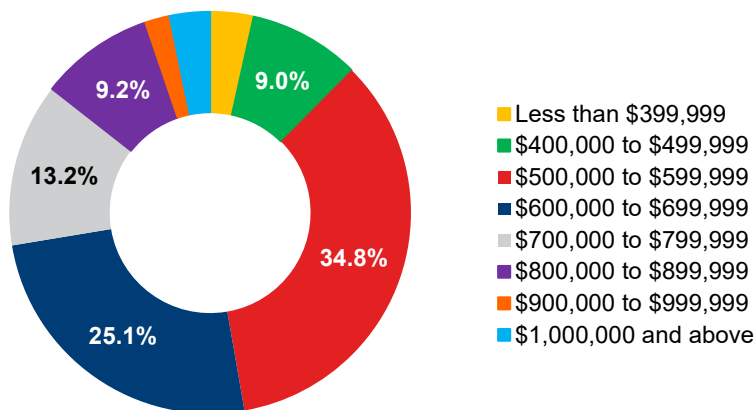


*Annual growth represents price growth for property transactions between Q3 2017 to Q3 2018 (inclusive).

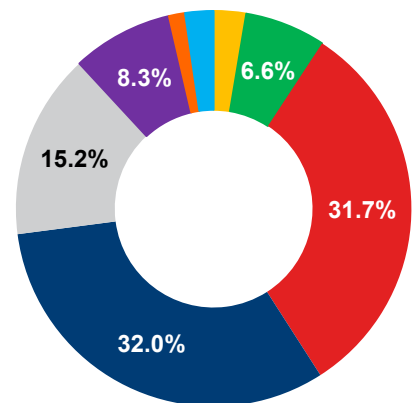
**Dapto market data and key indicators encapsulates aggregate property market conditions in the 2530 postcode.
Source: APM Pricefinder, realestate.com.au, SQM Research. © Copyright PRDNationwide 2018.

SALES PRICE POINT COMPARATIVE ANALYSIS*

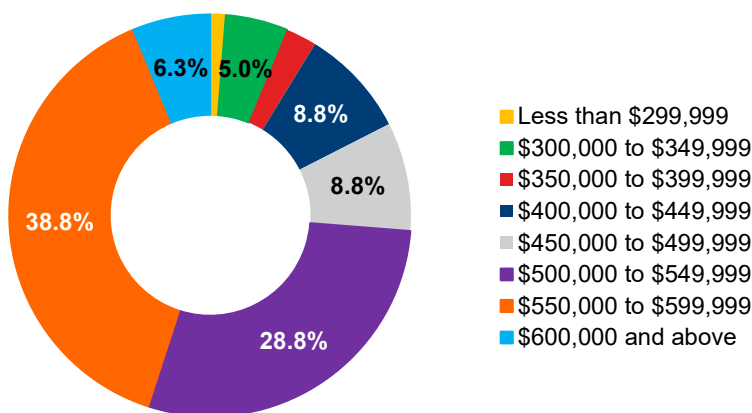
HOUSE PRICE POINT 2017



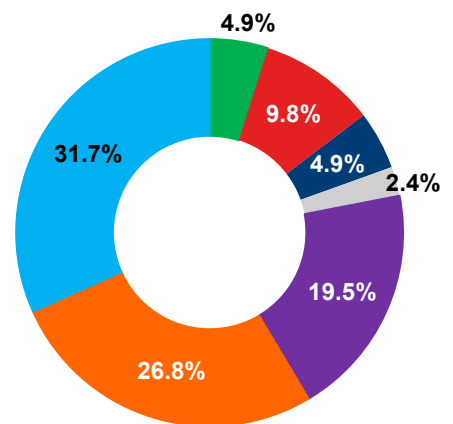
HOUSE PRICE POINT 2018



UNIT PRICE POINT 2017



UNIT PRICE POINT 2018



KEY IMPLICATIONS - HOUSE

The Dapto* house market has started to transition towards a higher price bracket over the past 12 months, moving from the \$500-\$600K price bracket to \$600-\$700K. This has created a stronger mid-market pricing structure, with most of the houses sold being within the \$500-\$700K price bracket. This provides future home buyers with more choices to suit their budget.

There was a slight increase in sales in the \$700-\$800K price bracket, from 13.2% in 2017 to 15.2% in 2018. This indicates that there is still interest in higher priced houses. Those looking for affordable options need to act fast, as sales under \$500K declined from 12.5% to 9.2% in 2018.

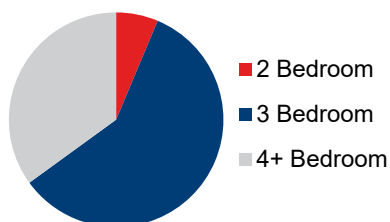
KEY IMPLICATIONS - UNIT

The Dapto* unit market has shifted towards to a higher priced market, with the \$600K and above price range becoming the dominant price bracket in 2018. 31.7% of Q1-Q3 2018 unit sales were within this price bracket. Previously in 2017 the dominant price bracket was \$550-\$600K. This shift is in line with the 3.1% annual price growth reported between Q3 2017-Q3 2018.

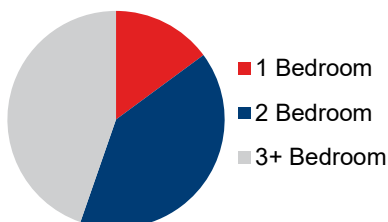
Interestingly affordable options have increased in Dapto*, with sales under \$400K increasing from 8.8% in 2017 to 14.7% in 2018. The Dapto* unit market have become more balanced, with ample options for all budgets. Now is the time for first time buyers to enter the market.

INVESTMENT ANALYSIS

HOUSE



UNIT



HOUSE KEY FACTS Q3 2018*

Median Rent Price: \$495 per week
Rental Yield: 3.9%
Average Days on Market: 23
Bedroom Breakdown:
 2 Bed: 6%, 3 Bed: 59%, 4+ Bed: 35%

UNIT KEY FACTS Q3 2018*

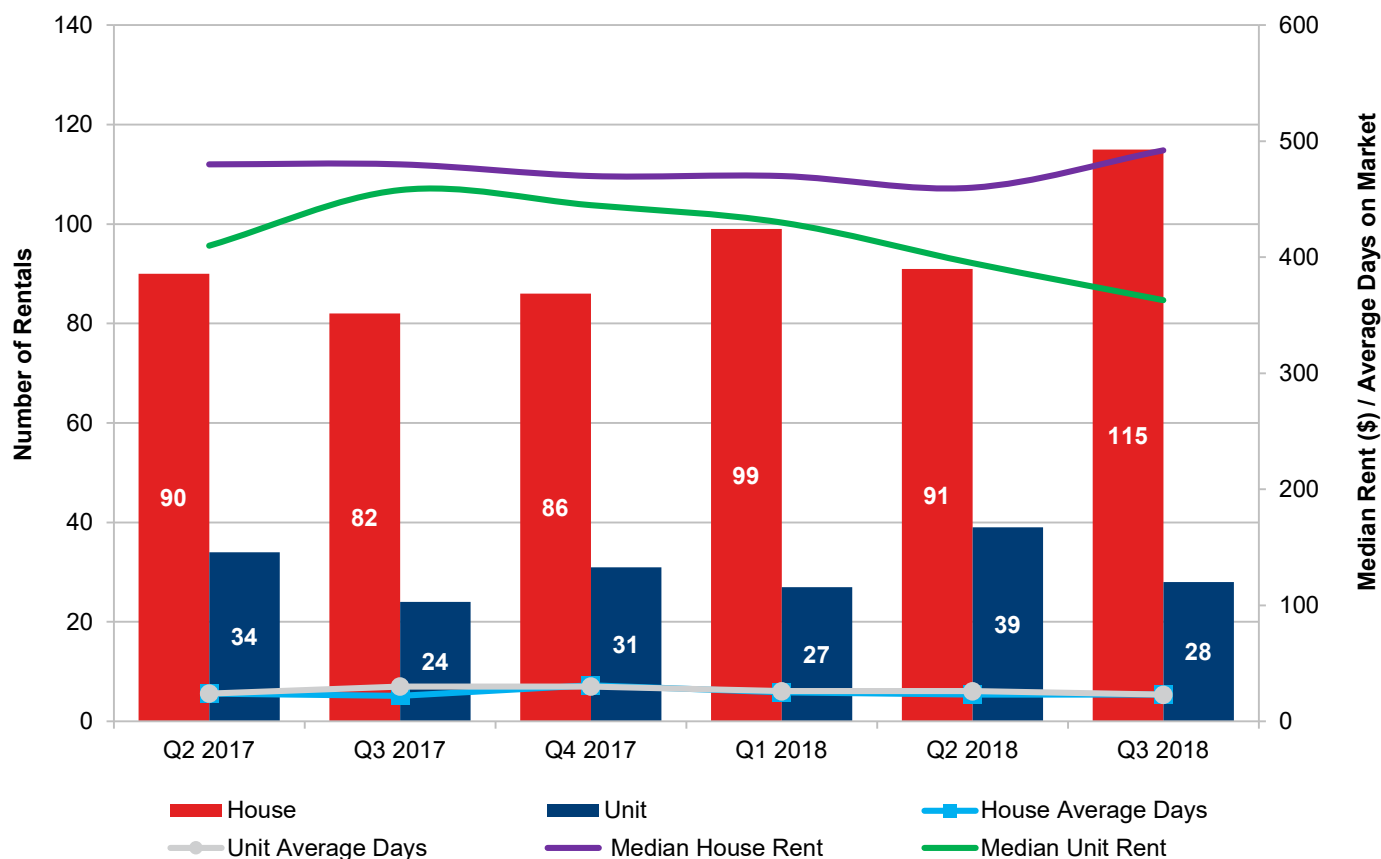
Median Rent Price: \$365 per week
Rental Yield: 3.8%
Average Days on Market: 23
Bedroom Breakdown:
 1 Bed: 15%, 2 Bed: 40%, 3+ Bed: 45%

KEY COMMENTS

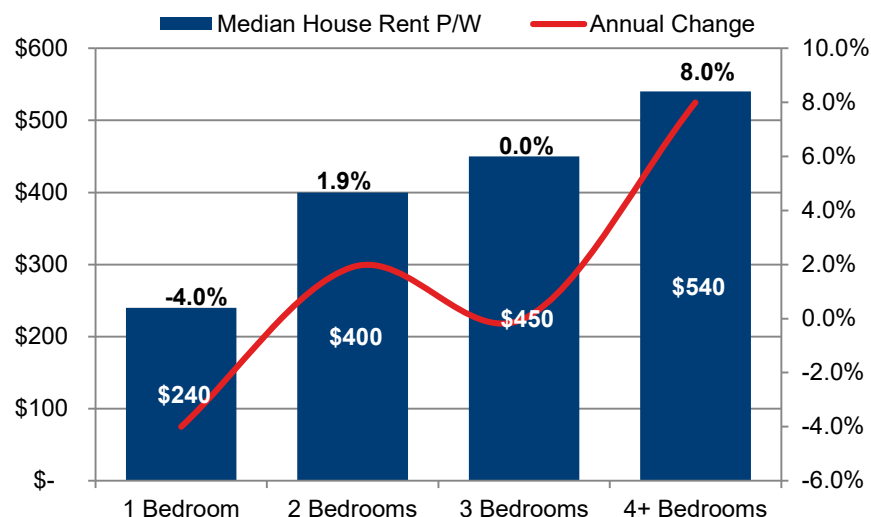
Interest in Dapto* was recorded at an average of 919 online visits per property in June 2018, which is higher than the New South Wales average of 832. This is good news for those looking to invest in Dapto* as it suggests potentially higher investment returns. Those looking to expand their portfolio must consider the Dapto* housing market. The number of houses rented grew by 40.2% over the past 12 months to Q3 2018, whilst median house rent price grew by 3.1%. This suggests a real increase in rental returns, not due to scarcity of supply.



MEDIAN RENT AND AVERAGE DAYS ON MARKET*



RENTAL PERFORMANCE 2018*



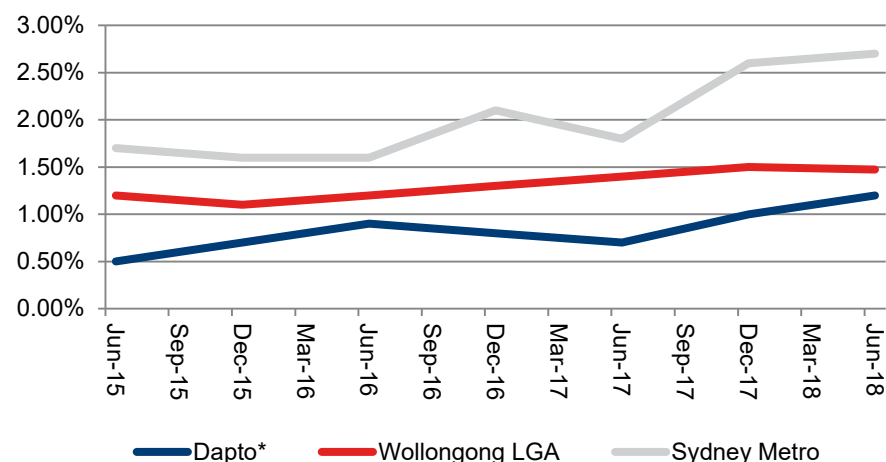
KEY COMMENTS

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

4+ bedroom houses provide the highest annual rental growth, at 8.0%.

Dapto's* vacancy rate was recorded at 1.2% in June 2018, lower than the Wollongong LGA (1.5%) and much lower than Sydney Metro (2.7%). Although Dapto's* vacancy rates have slightly increased over the past 12 months this is at a slower speed than Sydney Metro, which suggests a healthier rental demand in Dapto*.

VACANCY RATES 2018



RENTAL YIELD 2018

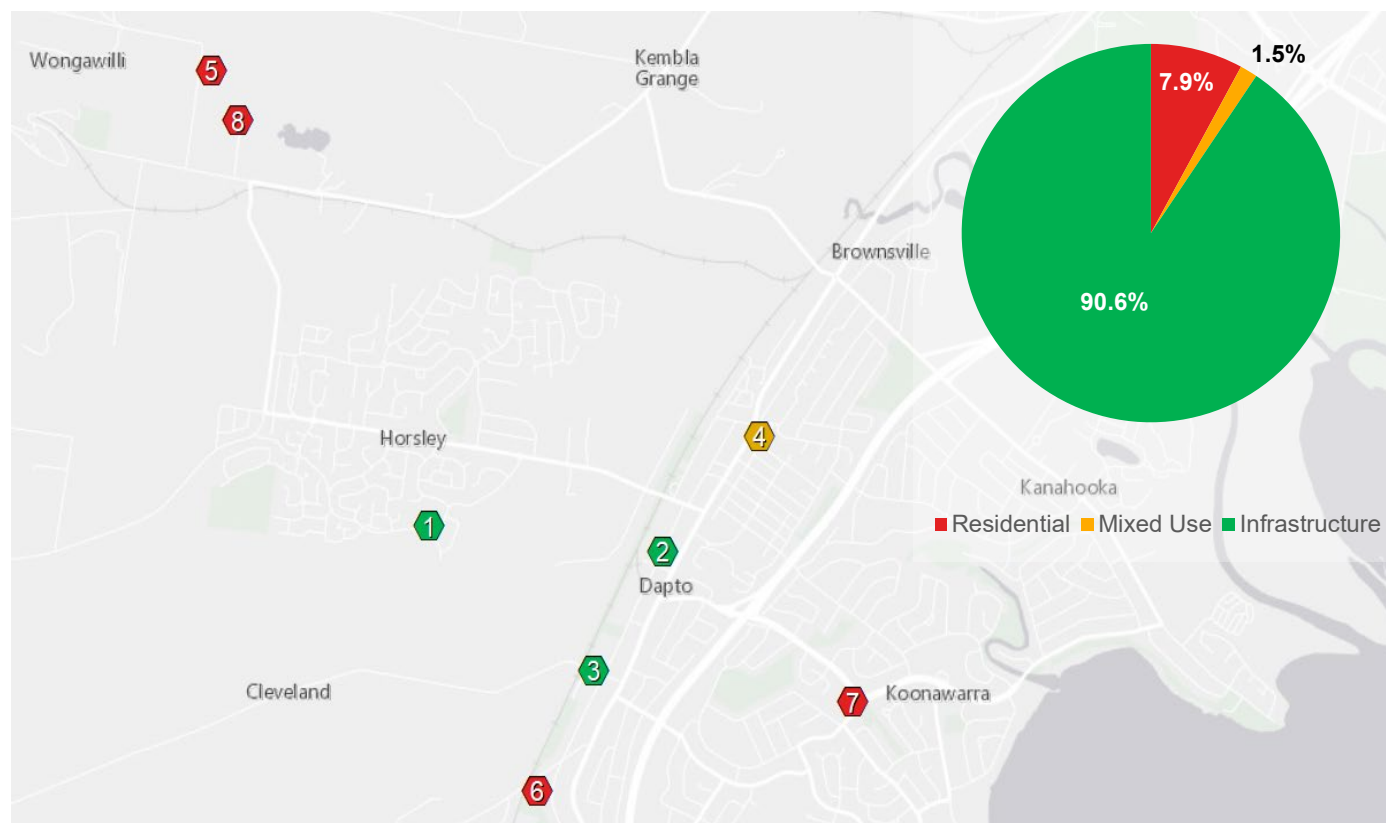
Suburb/ Postcode/ LGA	House Rental Yield	Unit Rental Yield
Dapto (suburb)	4.1%	4.2%
Postcode 2530	3.9%	3.8%
Wollongong City LGA	3.6%	3.4%
Sydney Metro	2.7%	3.7%

KEY HOUSING DEMOGRAPHICS

	Dapto	Wollongong LGA	New South Wales
Median weekly rent	\$340	\$320	\$380
Family Households	2,923	51,776	1,874,524
Single or lone person households	935	18,871	620,778
Worked full time	2,757	52,444	2,134,521
Worked part time	1,479	31,062	1,071,151
Occupied private dwellings	3,938	73,958	2,604,320
Unoccupied private dwellings	277	6,330	284,741

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

PROJECT DEVELOPMENT MAP 2nd HALF 2018*



Location	Project**	Type	Estimated Value***	Commence Date****
1	West Dapto Urban Release Area	Infrastructure	\$250,000,000	09/08/2018
2	West Dapto Access	Infrastructure	\$39,907,000	05/11/2018
3	Home Of Football For The Illawarra	Infrastructure	\$14,500,000	02/11/2018
4	Princes Highway Units (22 Units)	Mixed-Use	\$5,000,000	19/07/2018
5	The Vale At Vista Park (196 Lots)	Residential	\$13,000,000	14/08/2018
6	Avondale Road Townhouses – Westbury (21 Townhouses)	Residential	\$7,500,000	05/11/2018
7	Lakelands Drive Dwellings – Cooloola (15 Dwellings)	Residential	\$3,750,000	03/09/2018
8	Sanctuary Ponds East (20 Lots)	Residential	\$2,300,000	24/08/2018

*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

Jeremy Tillman
Director

PRDnationwide Dapto
1/66 Princes Highway
Dapto NSW 2530
Australia

T +61 2 4261 0304
M +61 418 244 601
E jeremy@prddapto.com.au

PRD.com.au/dapto

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