



Dapto
Property Factsheet
1st Half 2019





MARKET CONDITIONS

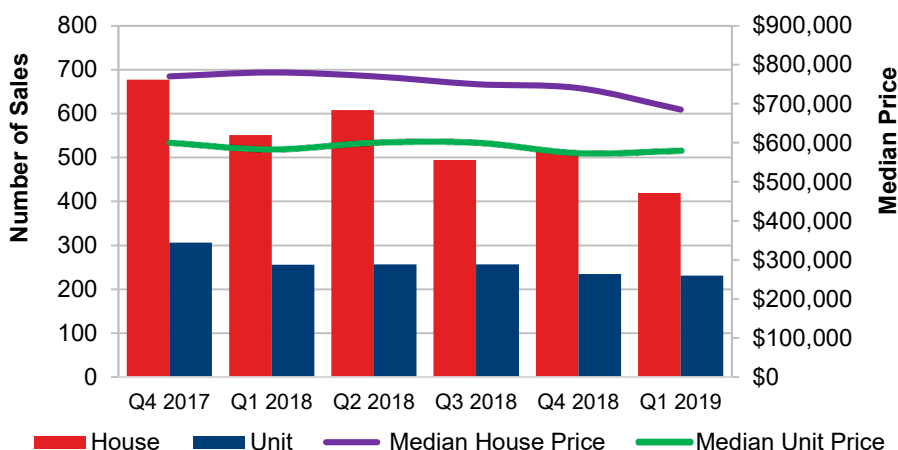
Dapto* recorded a median house price of \$630,000 in Q1 2019, representing annual (Q1 2018 – Q1 2019) growth of 0.8%. In contrast the unit market has softened during this time, by -13.3% to \$490,000. Compared to the *Dapto* 2nd half 2018 Research Factsheet*, which reported an annual (Q3 2017-Q3 2018) median price growth of 1.6% (house) and -3.1% (units), properties in Dapto* have become more affordable.

The City of Wollongong Local Government Area (LGA) recorded a median house price of \$685,000 and median unit price of \$580,000 in Q1 2019. This represented an annual (Q1 2018 – Q1 2019) price growth of -12.2% (house) and -0.5% (units). Thus compared to the LGA properties in Dapto* are more affordable, whereby houses in particular are stronger in value. There is a slowing-down in the property market in the wider LGA, making it an ideal time for first home buyers to enter the market.

Average vendor discount for houses widened from -3.8% in Q1 2018 to -7.1% in Q1 2019, suggesting buyers are achieving higher discounts prior to final sale. The same pattern is evident for units, with average vendor discount widening from -3.8% in Q1 2018 to -5.4% to Q1 2019. During this time average days on market increased, by 54.1% for houses and 22.7% for units, suggesting low market competition. Now is an ideal time for buyers to capitalize on this opportunity, whereas sellers should modify their expectation of the final sale price to ensure a lower average days on the market.

Dapto* rental market is flourishing, particularly the unit rental market. Median unit rent price increased by 5.0% between Q1 2018 – Q1 2019, to \$420 per week. During this time the number of units rented doubled, suggesting real returns for unit investors. House investors are also benefiting, with median house rent increasing by 5.3% to \$495 per week. Rental yield in Dapto* was recorded at 2.9% (house) and 3.8% (units), on par with Sydney Metro. However Dapto* has a more affordable entry price to Sydney Metro, making it a profitable alternative to investors.

CITY OF WOLLONGONG GROWTH



OVERVIEW

Dapto is a suburb of Wollongong, approx. 2 hours from Sydney, famously known for being located west of Lake Illawarra. Q1 2019 saw a spike in auction clearance rates, to 80.0% - a significant recovery compared to Q1 2018 (50.0%). Dapto*'s auction clearance rates are higher than Wollongong LGA (38.9%) and Sydney Metro (57.8%), indicating high preference for auctions as method of sale.

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* plans to invest approx. \$262.7M in the 1st half of 2019, majority of which is dedicated to commercial projects (91.2%) and the rest to residential (8.0%). This is a key strategy for Dapto*, as commercial projects are needed to stimulate local job growth and the economy in general.

A key commercial project is Tallawarra Stage B Power Station (\$200.0M), a gas turbine power station which will assist in creating more local jobs in the area. Other key commercial projects include: Illawarra Retirement Village Beach Gardens (\$27.8M) and the Illawarra International Health Precinct (\$11.0M).

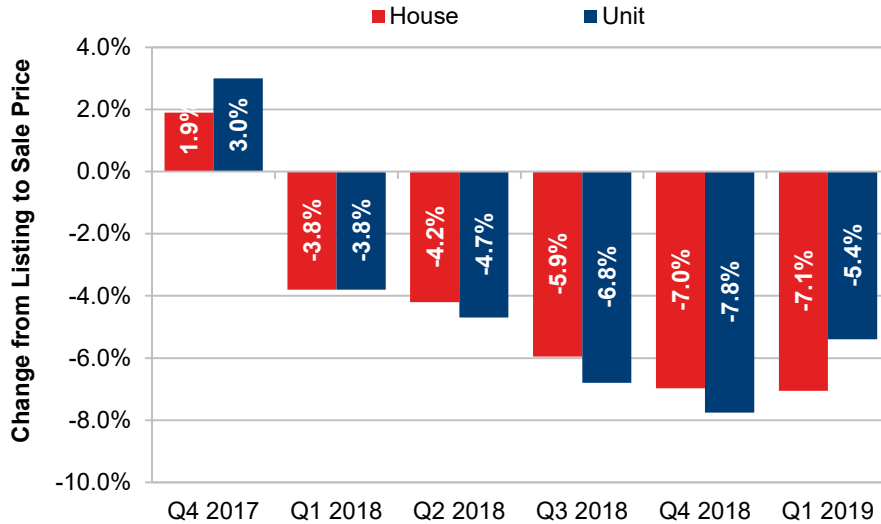
A total of 273 subdivision lots and 7 new dwellings are planned for Dapto* in the 1st half of 2019. Subdivision lots have become a key strategy to allow for more first home buyers. These include: Vale at Vista Park (\$13.0M, 196 lots), Sanctuary Ponds East (\$2.3M, 20 lots), and Iredell Road & Shone Avenue Subdivision (\$1.7M, 33 lots). Gerongar Crescent Dwellings (\$1.8M) and Bankbook Drive Multiple Dwellings (\$1.0M) will deliver new houses into Dapto*.

*Dapto market data and key indicators encapsulates aggregate property market conditions in the postcode 2530.

**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 Pricerfinder, realestate.com.au. © Copyright PRDnationwide 2019.

AVERAGE VENDOR DISCOUNT



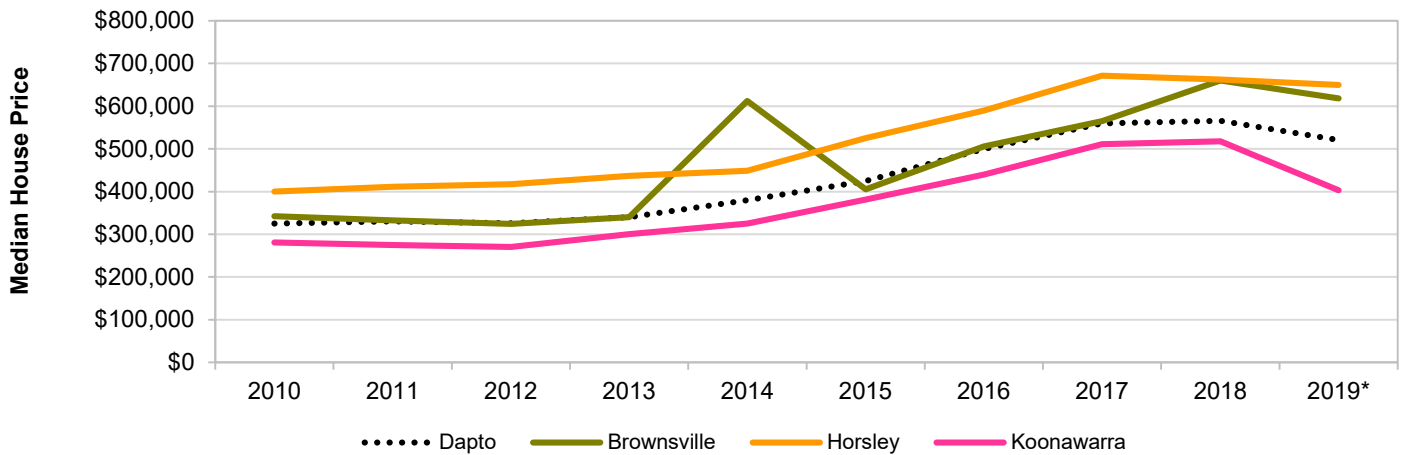
AVERAGE VENDOR DISCOUNT

The average vendor discount reflects the average percentage difference between the first list price and the 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.

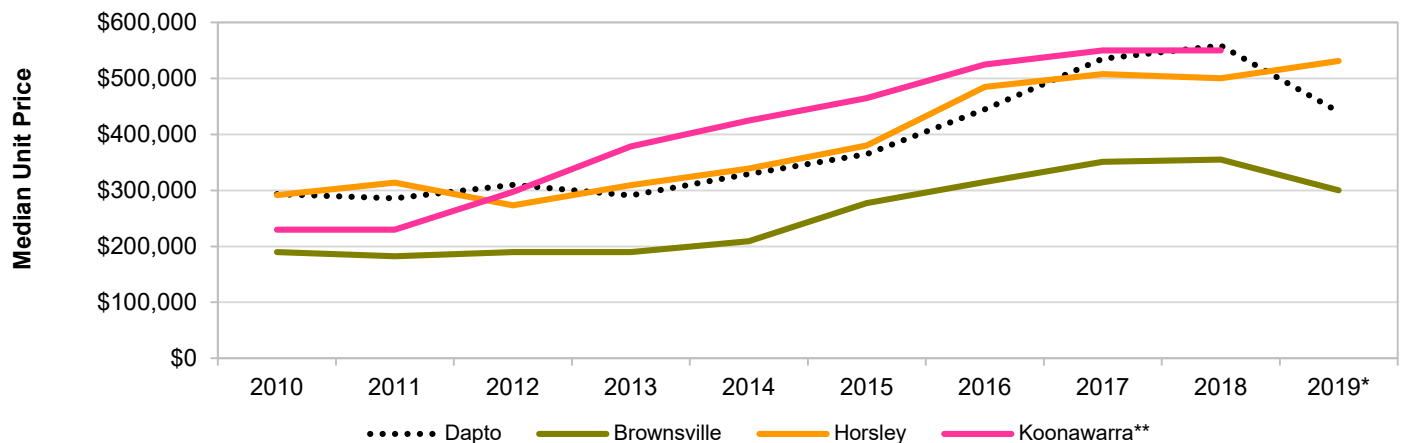
MARKET COMPARISON GRAPH

The market comparison graph provides a comparative trend for the median price of houses and units over the past 10 years. Suburbs profiled are chosen based on their proximity to the main suburb analysed in this Factsheet, which is Dapto. The main suburb is shown as a dotted black line in the graphs below.

HOUSE MARKET COMPARISON



UNIT MARKET COMPARISON



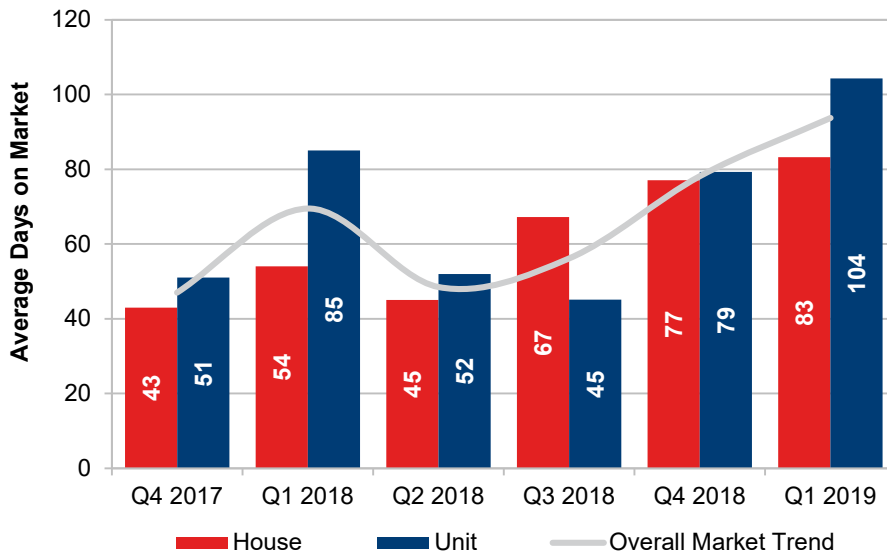
*2019 sales data is inclusive of the period Q1 2019 only.

**Koonawarra median price is indicative only due to less than 20 sales occurring in each period.

***Dapto market data and key indicators encapsulates aggregate property market conditions in the postcode 2530.

Source: APM Pricefinder. © Copyright PRDNationwide 2019.

AVERAGE NUMBER OF DAYS ON THE MARKET**



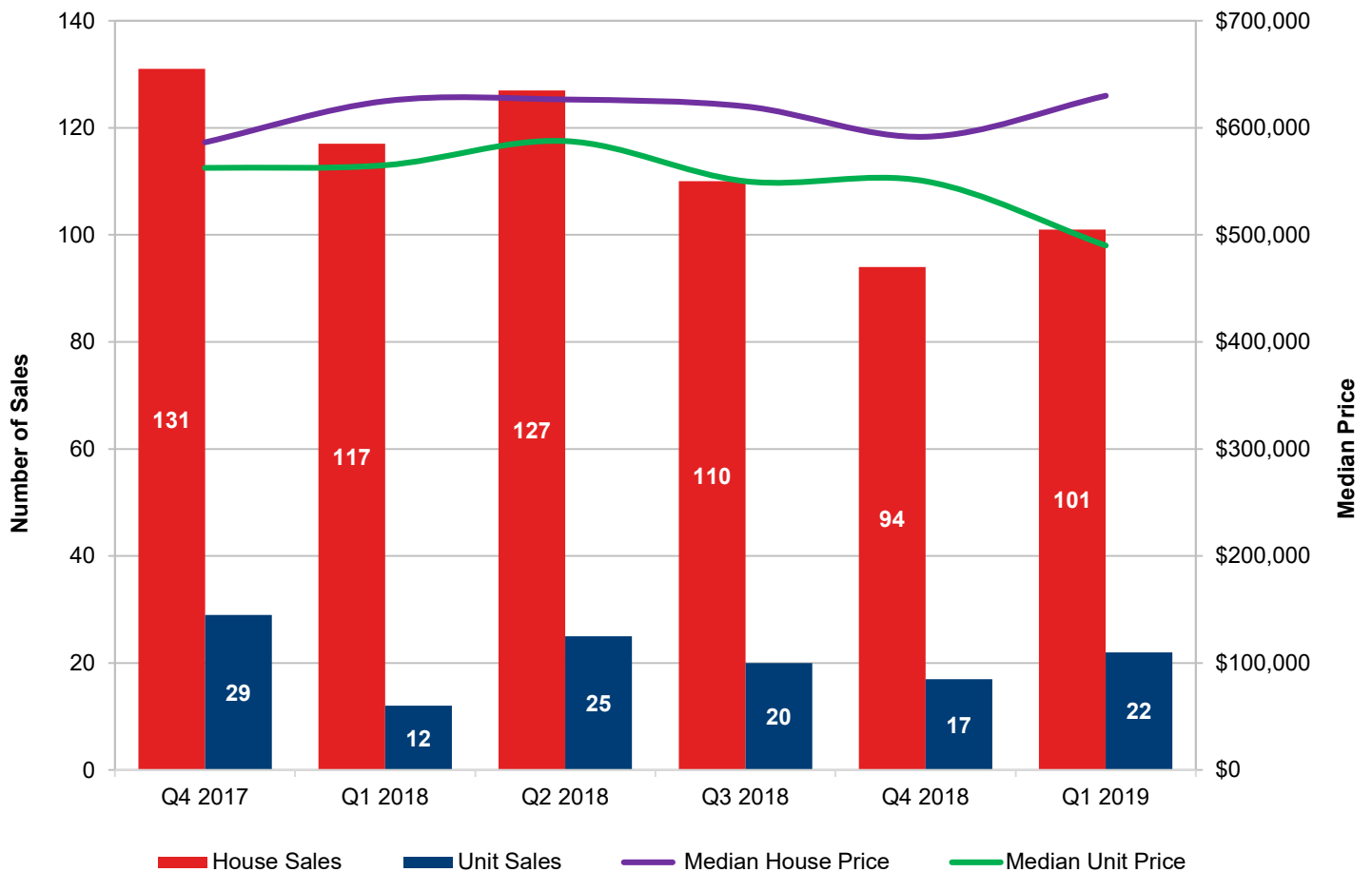
KEY HOUSE FACTS Q1 2019

Median Sale Price: \$630,000
 Annual Growth: 0.8%*
 Average Days on Market: 83
 % Change Between First Listed Price and Sold Price: -7.1%

KEY UNIT FACTS Q1 2019

Median Sale Price: \$490,000
 Annual Growth: -13.3%*
 Average Days on Market: 104
 % Change Between First Listed Price and Sold Price: -5.4%

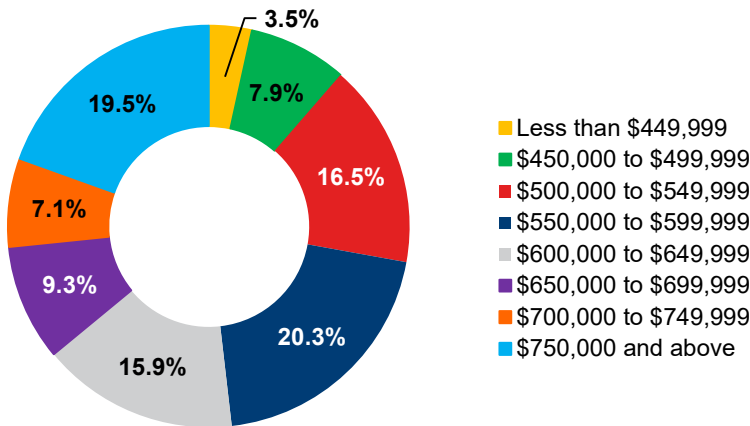
SALES AND MEDIAN PRICES**



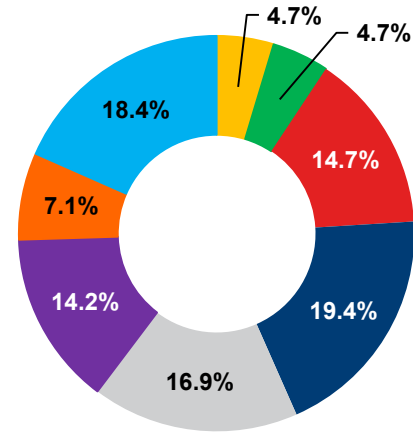
*Annual growth represents price growth for property transactions between Q1 2018 to Q1 2019 (inclusive).
 **Dapto market data and key indicators encapsulates aggregate property market conditions in the postcode 2530.
 Source: APM Pricefinder, realestate.com.au, SQM Research. © Copyright PRDnationwide 2019.

SALES PRICE POINT COMPARATIVE ANALYSIS

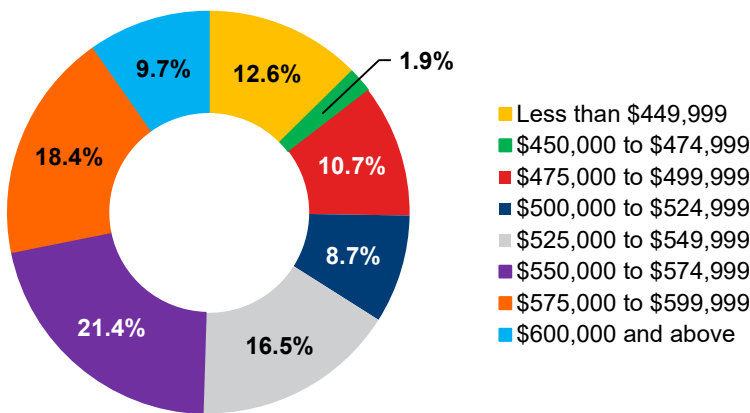
HOUSE PRICE POINT 2017



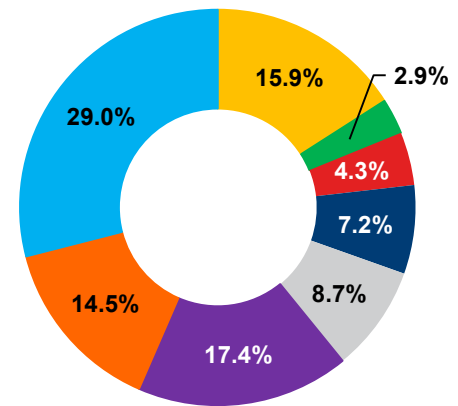
HOUSE PRICE POINT 2018



UNIT PRICE POINT 2017



UNIT PRICE POINT 2018



KEY IMPLICATIONS - HOUSES

Sales price point for the Dapto* housing market has remained relatively stable between 2017-2018, with a few minor changes in certain price points. This is good news for those wanting to enter the Dapto* market, as there is a property for every budget.

A shift occurred in the highest price bracket of \$750K and above, decreasing from 19.5% in 2017 to 18.4% in 2018. Interestingly the upper-mid pricing of \$650-\$700K has increased in sales proportion, from 9.3% in 2017 to 14.2% in 2018, creating a stronger demand for higher priced products. Those seeking affordable options need to act fast, as opportunities under \$500K has decreased, from 11.4% in 2017 to 9.4% in 2018.

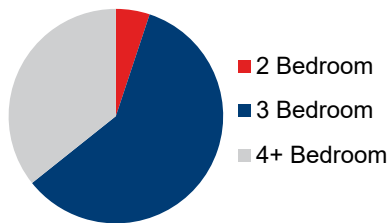
KEY IMPLICATIONS - UNITS

The Dapto* unit market has experienced a significant change in sales price point between 2017 – 2018, with the dominant price point shifting from \$550-\$575K to \$600K and above. This is surprising considering median unit price softened by -13.3% between Q1 2018 – Q1 2019, however provides comfort to developers and unit owners who are offering premium priced products.

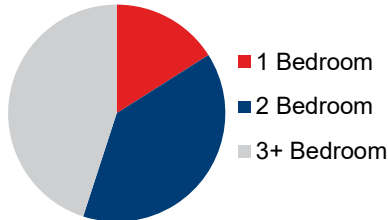
The mid-price range of \$475-550K has experienced a significant decline, from a total of 35.9% of sales in 2017 to 20.2% in 2018. Meanwhile those looking for affordable options of \$475K and less can rejoice, as there are now more opportunities in the market, increasing from a total of 14.5% of sales in 2017 to 17.8% in 2018.

INVESTMENT ANALYSIS

HOUSE



UNIT



KEY HOUSE FACTS Q1 2019

Median Rent Price: \$495 per week
Rental Yield: 2.9%
Average Days on Market: 25
Bedroom Breakdown:
 2 Bed: 5%, 3 Bed: 58%, 4+ Bed: 35%

KEY UNIT FACTS Q1 2019

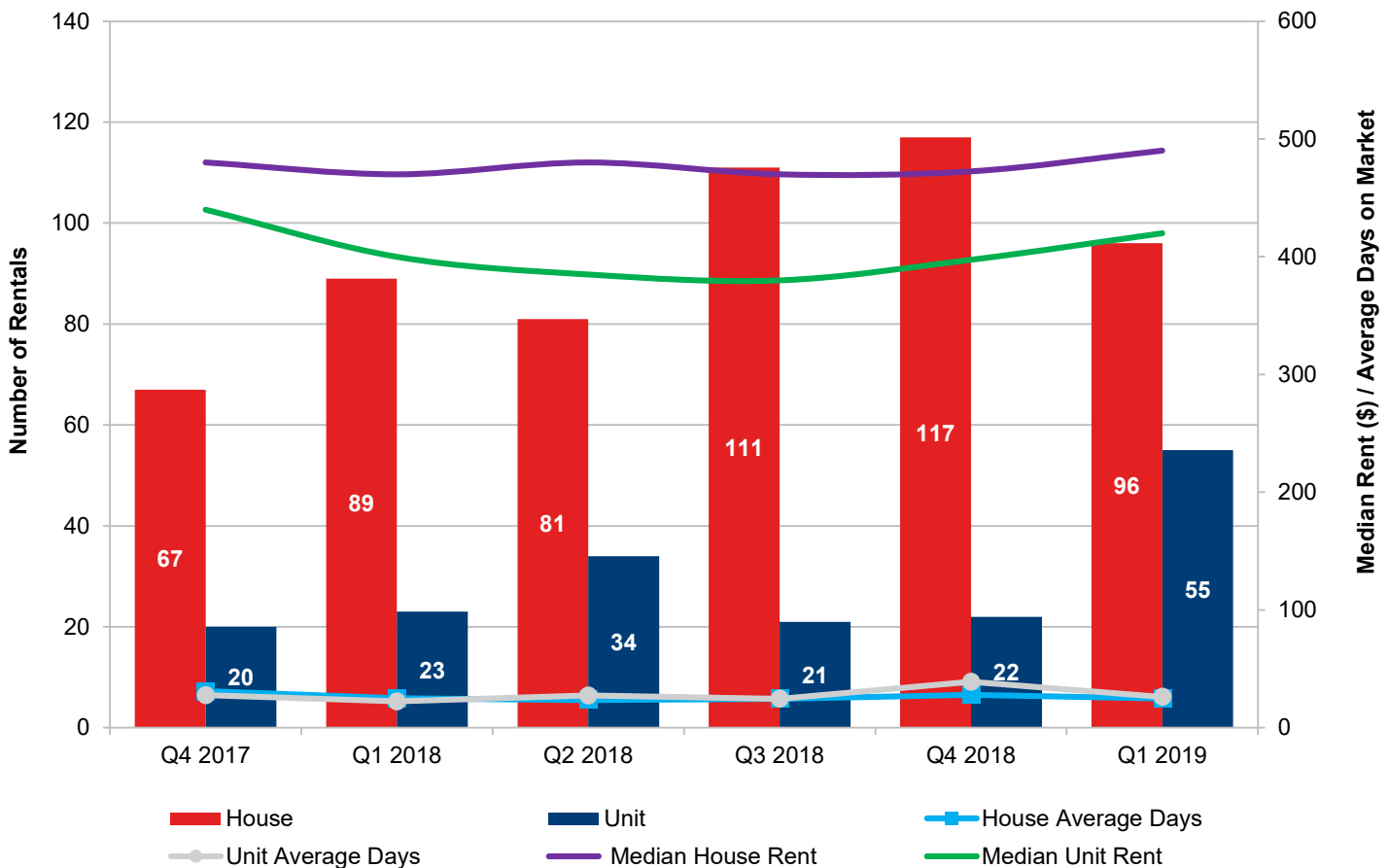
Median Rent Price: \$420 per week
Rental Yield: 3.8%
Average Days on Market: 26
Bedroom Breakdown:
 1 Bed: 16%, 2 Bed: 39%, 3+ Bed: 45%



KEY COMMENTS

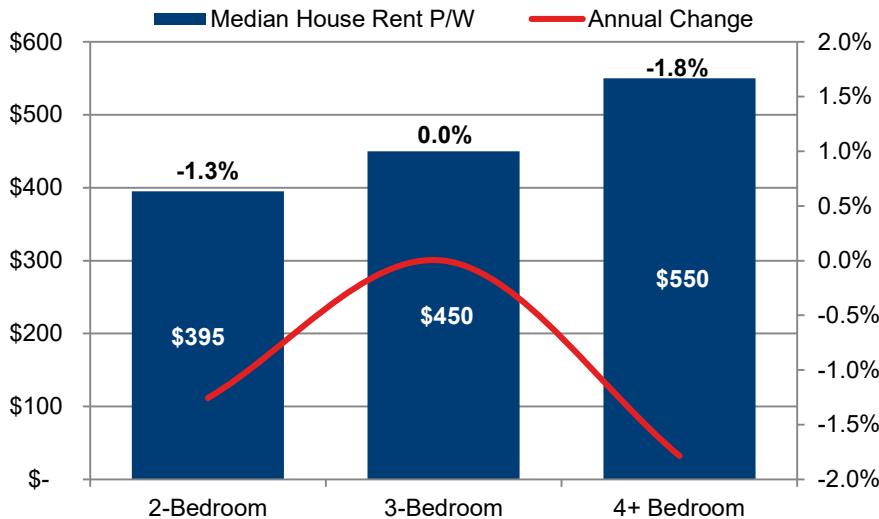
The Dapto* rental market is thriving, with the number of houses rented increasing by 7.9% between Q1 2018 – Q1 2019. The number of units rented has doubled during this timeframe, indicating high demand. Median rent price did not decline between Q1 2018 – Q1 2019, rather it increased by 5.3% (house) and 5.0% (units), indicating a real increase in rental returns for investors. Average days on market remained low in Q1 2019, at 25 (house) and 26 (units) days. Now is an ideal time for investors to enter the market, as rental occupancy is high and rental properties are rented at a quicker rate.

MEDIAN RENT AND AVERAGE DAYS ON THE MARKET*



*Disclaimer: Dapto market data and key indicators encapsulates aggregate property market conditions in the postcode 2530. Source: APM Pricer, realestate.com.au, SQM Research. © Copyright PRDnationwide 2019.

RENTAL PERFORMANCE 2018*



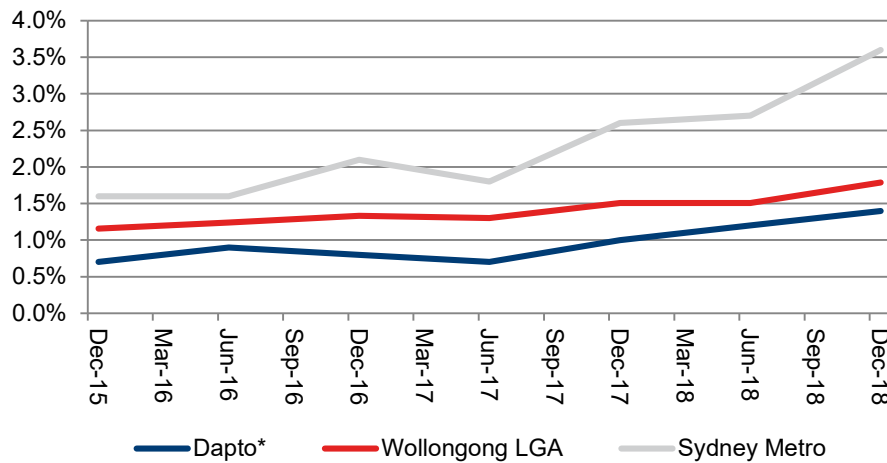
KEY COMMENTS

Dapto* recorded a rental yield of 2.9% (houses) and 3.8% (units) in December 2018, which represented a stability in rental returns compared to June 2018. This is on par to Sydney Metro, making Dapto* an investment alternative.

3 bedroom houses prove to provide the most stable rental returns, at \$450p/w.

Vacancy rates in Dapto* was recorded at a low 1.4% in December 2018, lower than Wollongong LGA (1.8%) and significantly below Sydney Metro (3.6%). Although the vacancy rate in Dapto* has increased, this is in line with the LGA trend, thus still indicating a healthy rental demand market.

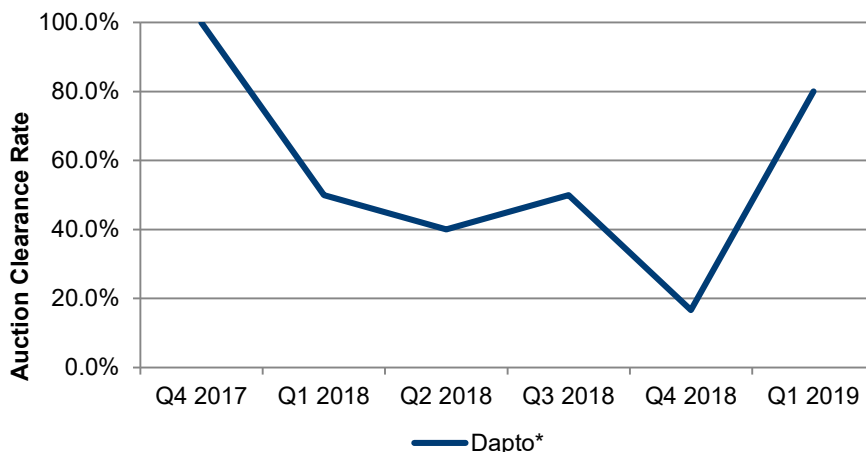
VACANCY RATES 2018



RENTAL YIELD 2018

Suburb/ Postcode/ LGA	House Rental Yield	Unit Rental Yield
Dapto (suburb)	3.2%	3.2%
Dapto* (Postcode 2530)	2.9%	3.8%
Wollongong	3.6%	4.0%
Sydney Metro	2.9%	3.8%

AUCTION CLEARANCE RATES 2019**



Q1 19 COMPARISON

Suburb/ Postcode/ LGA	Auction Clearance Rate
Dapto**	80.0%
Wollongong LGA	38.9%
Sydney Metro^	57.8%

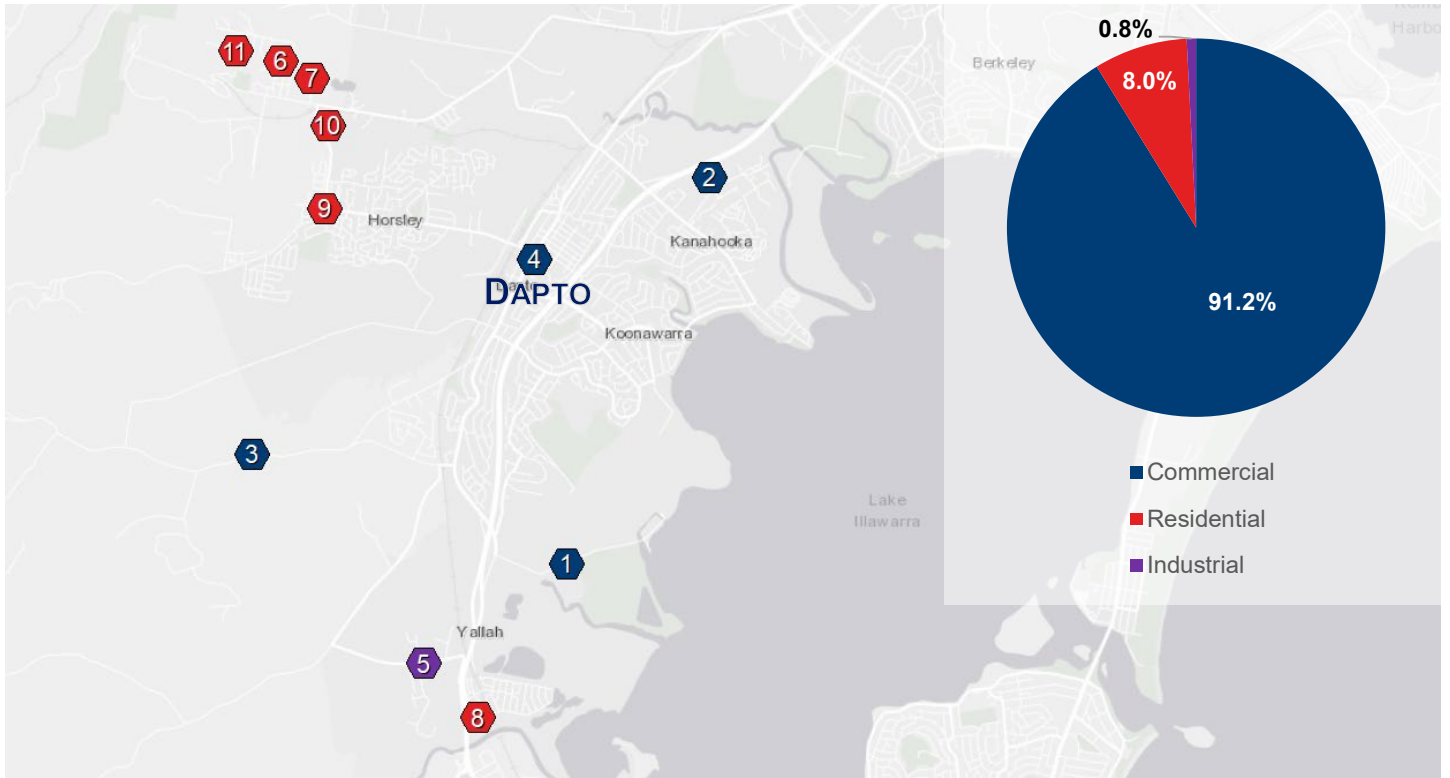
*Rental performance graph represents aggregate house median rent prices in the postcode 2530. Annual change is a comparison between 2017 and 2018 median rent figures.

**Auction Clearance rates for Dapto are for all residential auctions held in the postcode 2530.

^Capital city data obtained by accumulating Domain's weekly auction clearance results.

Source: APM Pricerfinder, Domain, SQM Research. © Copyright PRDnationwide 2019.

PROJECT DEVELOPMENT MAP 1st HALF 2019*



Location	Project**	Type	Estimated Value***	Commence Date****
1	Tallawarra Stage B Power Station	Commercial	\$200,000,000	09/02/2019
2	Illawarra Retirement Village - William Beach Gardens	Commercial	\$27,771,000	12/06/2019
3	Illawarra International Health Precinct - Seniors Accommodation	Commercial	\$11,000,000	04/03/2019
4	Woolworths Dapto	Commercial	\$900,000	18/02/2019
5	Yallah Rd Industrial Subdivision	Industrial	\$2,150,000	17/04/2019
6	The Vale At Vista Park (196 Lots)	Residential	\$13,000,000	14/06/2019
7	Sanctuary Ponds East (20 Lots)	Residential	\$2,300,000	24/06/2019
8	Gerongar Crescent Dwellings (7 Dwellings)	Residential	\$1,750,000	19/02/2019
9	Iredell Road & Shone Avenue Subdivision (33 Lots)	Residential	\$1,650,000	15/04/2019
10	Greenview Estate Horsley (24 Lots)	Residential	\$1,200,000	12/06/2019
11	Bankbook Drive Multiple Dwellings	Residential	\$1,000,000	20/06/2019

*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 postcode 2530.

***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, City of Wollongong Council. © Copyright PRDnationwide 2019.

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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