



Kogarah
Property Factsheet
1st Half 2019





MARKET CONDITIONS

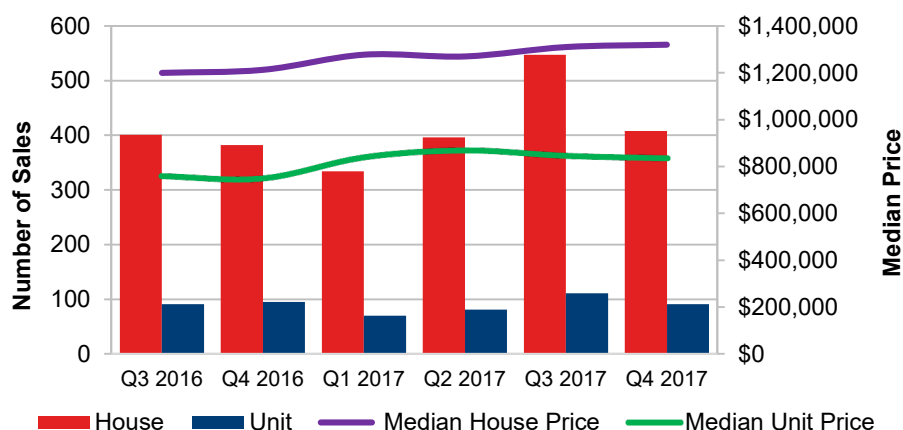
Kogarah* market recorded a median house price of \$1,155,000 and median unit price of \$637,500 in Q1 2019, which represented an annual (Q1 2018-Q1 2019) softening of -8.0% for houses and -5.9% for units. Compared to the *Kogarah* 2nd Half 2018 Research Factsheet*, which recorded an annual (Q3 2017-Q3 2018) price softening of -3.5% (house) and -5.9% (units), houses in Kogarah* have become more affordable whereas units have remained stable. This is good news for unit owners and signals an ideal time for first home buyers to enter the house market.

Georges River Council Local Government Area (LGA) property market also softened between Q1 2018-Q1 2019, by -12.1% to \$1,230,000 for houses and by -6.0% to \$658,000 for units. Compared to the LGA houses in Kogarah* are a premium product, both in terms of entry price and capital growth. Units in Kogarah* are more affordable with on-par capital growth, thus ideal for first time unit buyers.

Average vendor discount widened from -2.2% in Q1 2018 to -3.5% in Q1 2019, which indicates buyers are able to negotiate higher discounts. The same pattern is seen for units, with average vendor discount widening from -2.3% to -6.8%. Average days on market have increased, by 44.8% (house) and 59.7% (units), which suggest there is low market competition. Now is an ideal time for buyers to enter the market, whereas sellers should modify their final sale price expectations to ensure a quicker sale.

Kogarah* median rental price has softened between Q1 2018-Q1 2019, by -7.7% to \$600 per week for houses and by -2.0% to \$490 per week for units. This represented a relatively resilient rental market, particularly for units, as the number of properties rented increased in this timeframe, by 19.7% (house) and 31.4% (units). Rental yield in Kogarah* grew between June – December 2018, from 2.5% to 2.7% for houses and from 3.8% to 3.9% for units, a comfort to investors. Given the softening in median sale prices and an increase in rental yield, now is an ideal time to enter the market.

GEORGES RIVER COUNCIL GROWTH



OVERVIEW

Kogarah* is approximately 14kms south of Sydney CBD, ideal for professionals and young families commuting for work. Auction clearance rates in Kogarah* was 42.4% in Q1 2019, the lowest over the past 6 quarters. This rate is also lower than Georges River LGA (46.1%) and Sydney Metro (57.8%), which suggest a slowing down in the Kogarah* market.

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* is set to invest approximately \$229.2M in future developments, majority of which are dedicated to residential and (57.0%) and mixed-use (25.7%) projects. Mixed-use projects are an ideal strategy for Kogarah* as there is commercial and retail components to the project, which will assist in creating local jobs. Newly added stock will replenish offering to investors, however may result in further softening of median price.

A total of 353 units, 8 townhouses, and 7 dwellings are scheduled to commence construction in the 1st half of 2019, most of which are located in Rockdale.

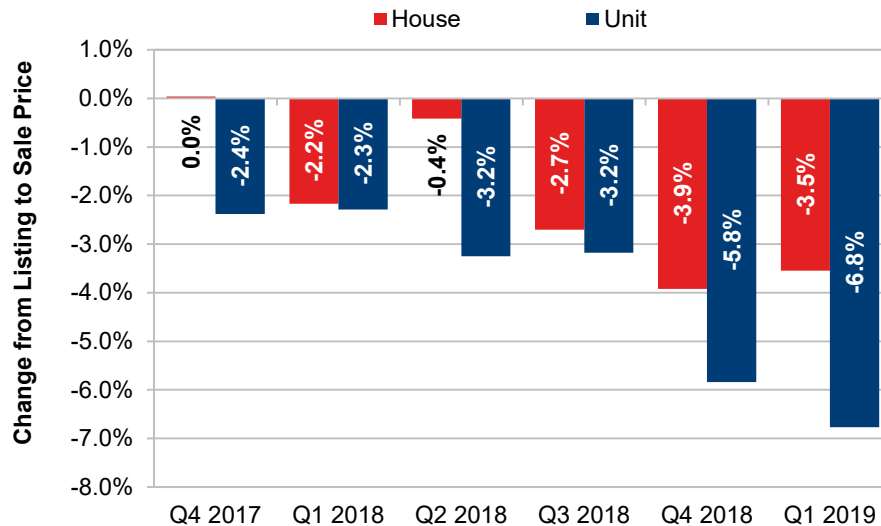
A key mixed-use project is Princess Hwy Mixed Development – Anew Rockdale (\$24.3M), which will add 86 units and 3 retail spaces. Another is Princess Hwy Mixed Development (\$15.0M), due to add 60 units and 125sqm commercial space.

Key residential projects includem but not limited to: Georges St Units (\$12.5M, 47 apartments), John St Apartments (\$6.0M, 25 apartments), and Neilsen Avenue Units (\$10.8M, 42 units).

Two key commercial projects are St George House Westpac (\$8.0M) and the Rockdale RSL Club (\$5.9M).

*Kogarah market data and key indicators 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 re-sale value.
Source: APM Pricerfinder, realestate.com.au. © Copyright PRDnationwide 2019.

AVERAGE VENDOR DISCOUNT



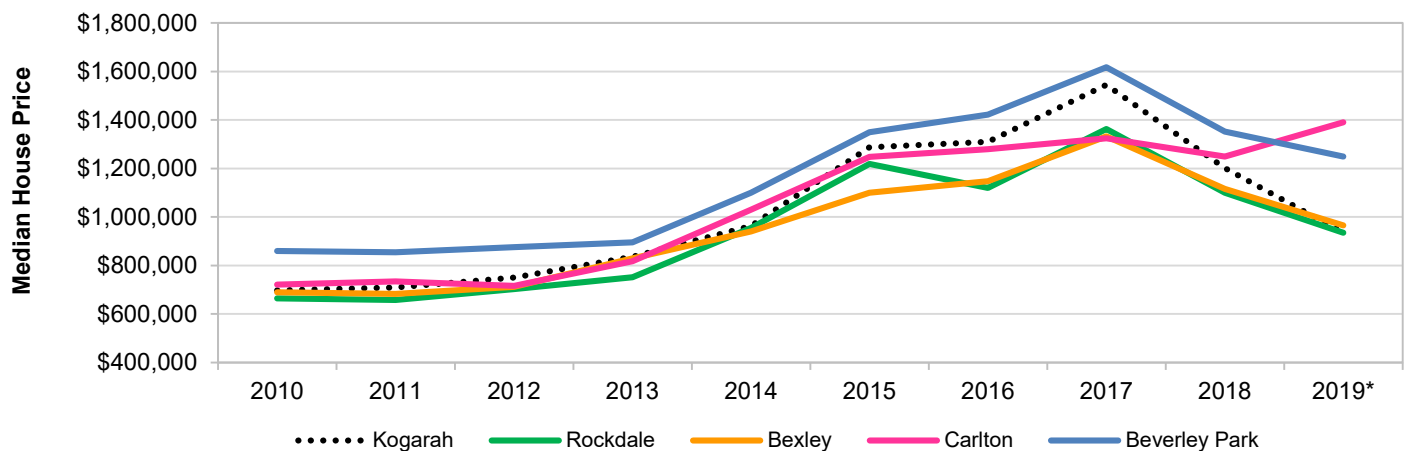
AVERAGE VENDOR DISCOUNT

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.

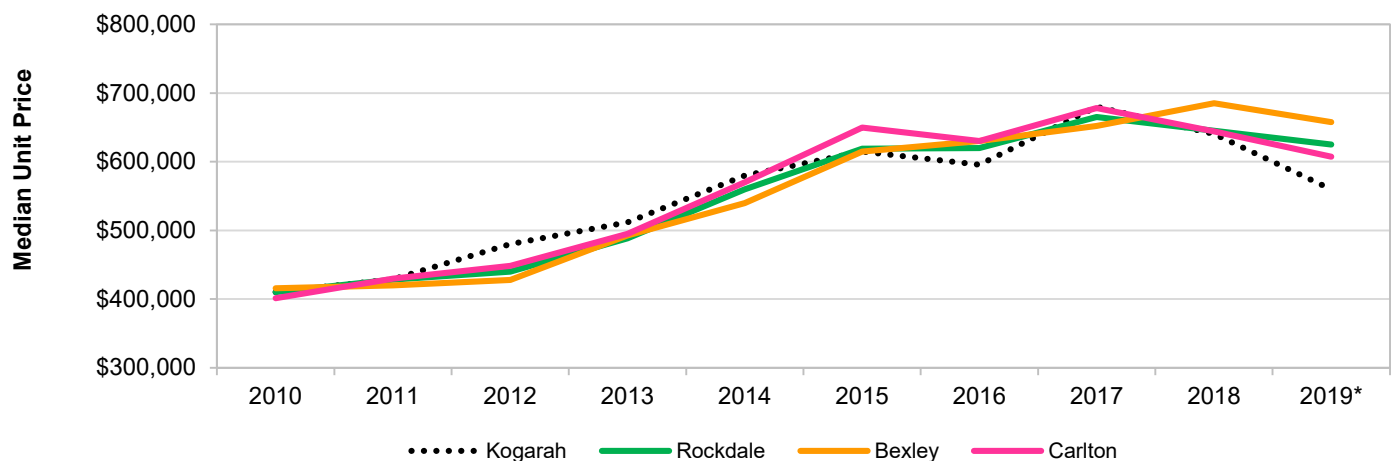
MARKET COMPARISON GRAPH

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 Kogarah. The main suburb is shown as a dotted black line in the graphs below.

HOUSE MARKET COMPARISON



UNIT MARKET COMPARISON

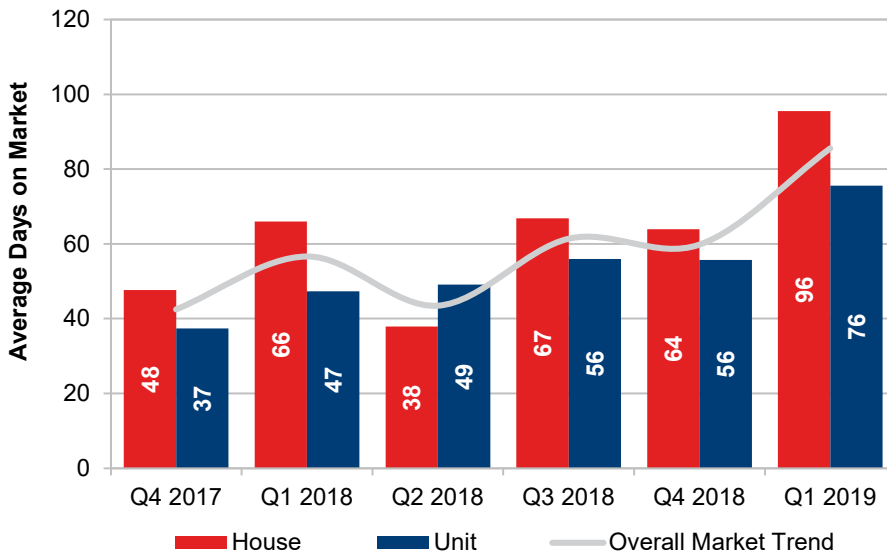


*2019 sales data is inclusive of the period Q1 2019 only.

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

Source: APM Pricer. © Copyright PRDnationwide 2019.

AVERAGE NUMBER OF DAYS ON THE MARKET**



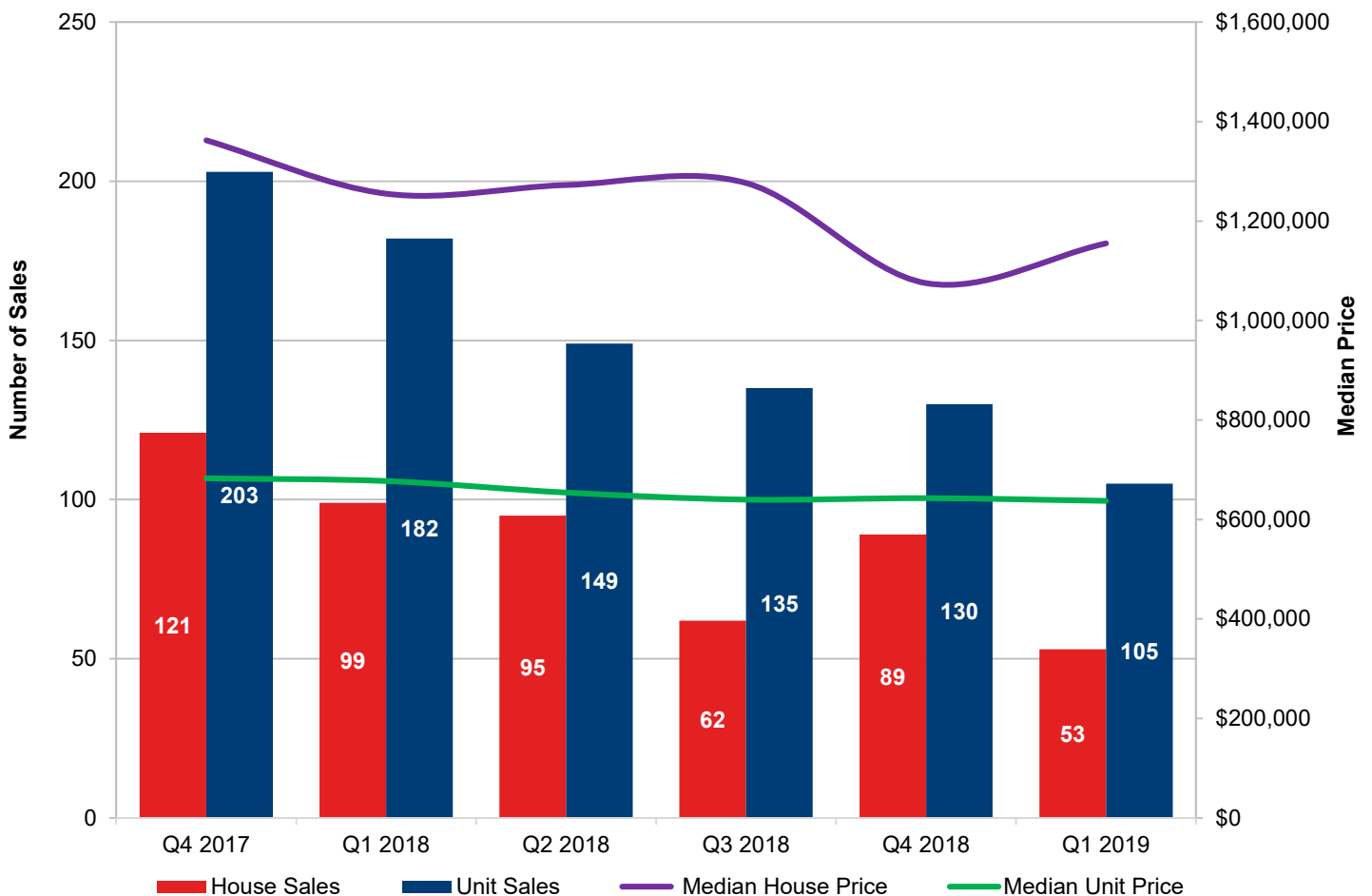
KEY HOUSE FACTS Q1 2019

Median Sale Price: \$1,155,000
Annual Growth: -8.0%*
Average Days on Market: 96
% Change Between First Listed Price and Sold Price: -3.5%

KEY UNIT FACTS Q1 2019

Median Sale Price: \$637,500
Annual Growth: -5.9%*
Average Days on Market: 76
% Change Between First Listed Price and Sold Price: -6.8%

SALES AND MEDIAN PRICES**



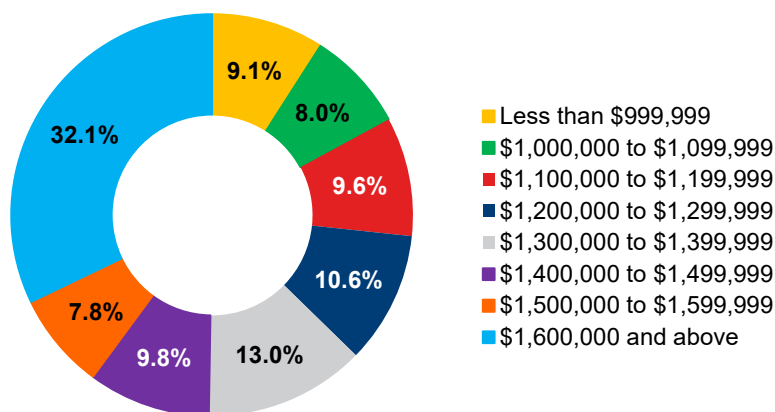
*Annual growth represents price growth for property transactions between Q1 2018 to Q1 2019 (inclusive).

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

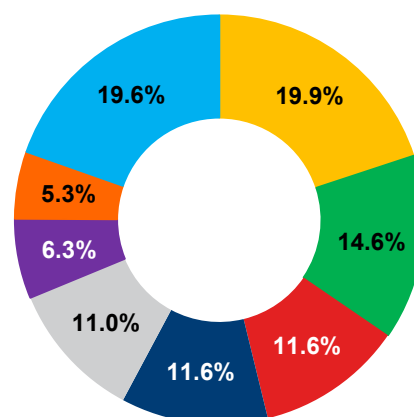
Source: APM Pricerfinder, realestate.com.au, SQM Research. © Copyright PRDnationwide 2019.

SALES PRICE POINT COMPARATIVE ANALYSIS

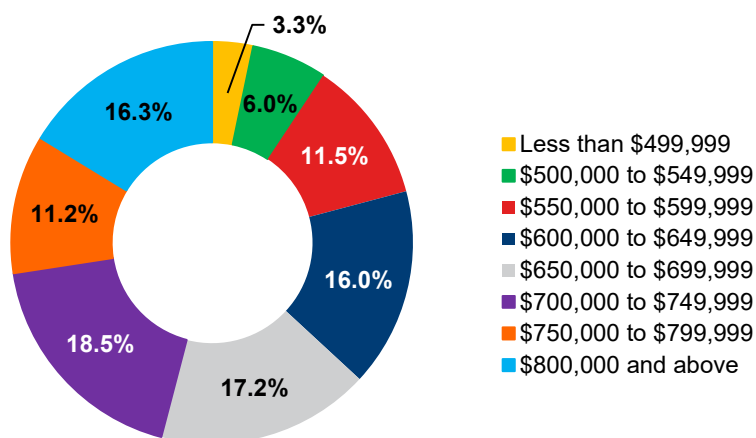
HOUSE PRICE POINT 2017



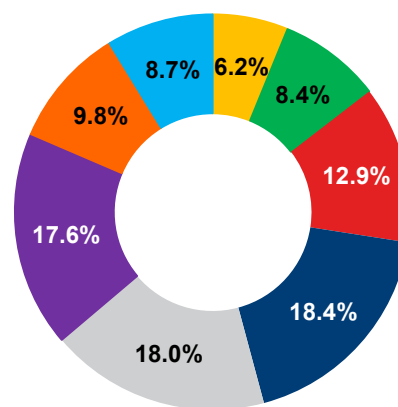
HOUSE PRICE POINT 2018



UNIT PRICE POINT 2017



UNIT PRICE POINT 2018



KEY IMPLICATIONS - HOUSES

Sales price point for the Kogarah* housing market has experienced a definite swing towards more affordable options between 2017-2018, with the dominant price point shifting from the premium price of \$1.6M and above (32.1% in 2017) to less than \$1.0M (19.9% in 2018).

This is not surprising, considering the -8.0% softening in median house price between Q1 2018-Q1 2019. The mid-range pricing of \$1.2M-\$1.5M has also decreased, from 33.4% of total sales in 2017 to 28.9% in 2018. Those seeking affordable options has more opportunities, as price point less than \$1.0-\$1.1M has doubled, from a total of 17.1% in 2017 to 34.5% in 2018. Overall this has created a more even playing field for first home buyers.

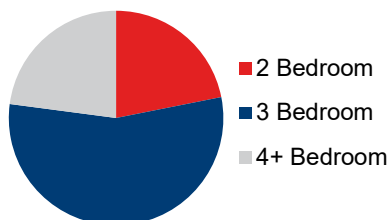
KEY IMPLICATIONS - UNITS

Sales price point trends for the Kogarah* unit market mirrors the housing market, in the sense that there is a swing towards more affordable options. That said the shift in the unit market is not as high as the house market, with many price points remaining stable. This brings comfort to those wanting to enter the market, as there is a unit to suit every budget.

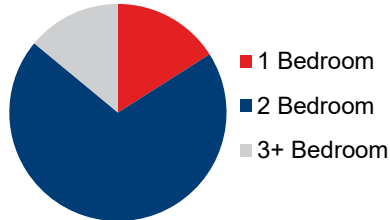
The highest price point of \$800K and above has seen a decrease in sales activity, from 16.3% in 2017 to 8.7% in 2018. At the same time the most affordable price point of under \$500K has doubled in activity, from 3.3% in 2017 to 6.2% in 2018. Now is an ideal time for first time home buyers to capitalise on these opportunities.

INVESTMENT ANALYSIS

HOUSE



UNIT



KEY HOUSE FACTS Q1 2019

Median Rent Price: \$600 per week
Rental Yield: 2.7%
Average Days on Market: 26
Bedroom Breakdown:
 2 Bed: 21%, 3 Bed: 53%, 4+ Bed: 22%

KEY UNIT FACTS Q1 2019

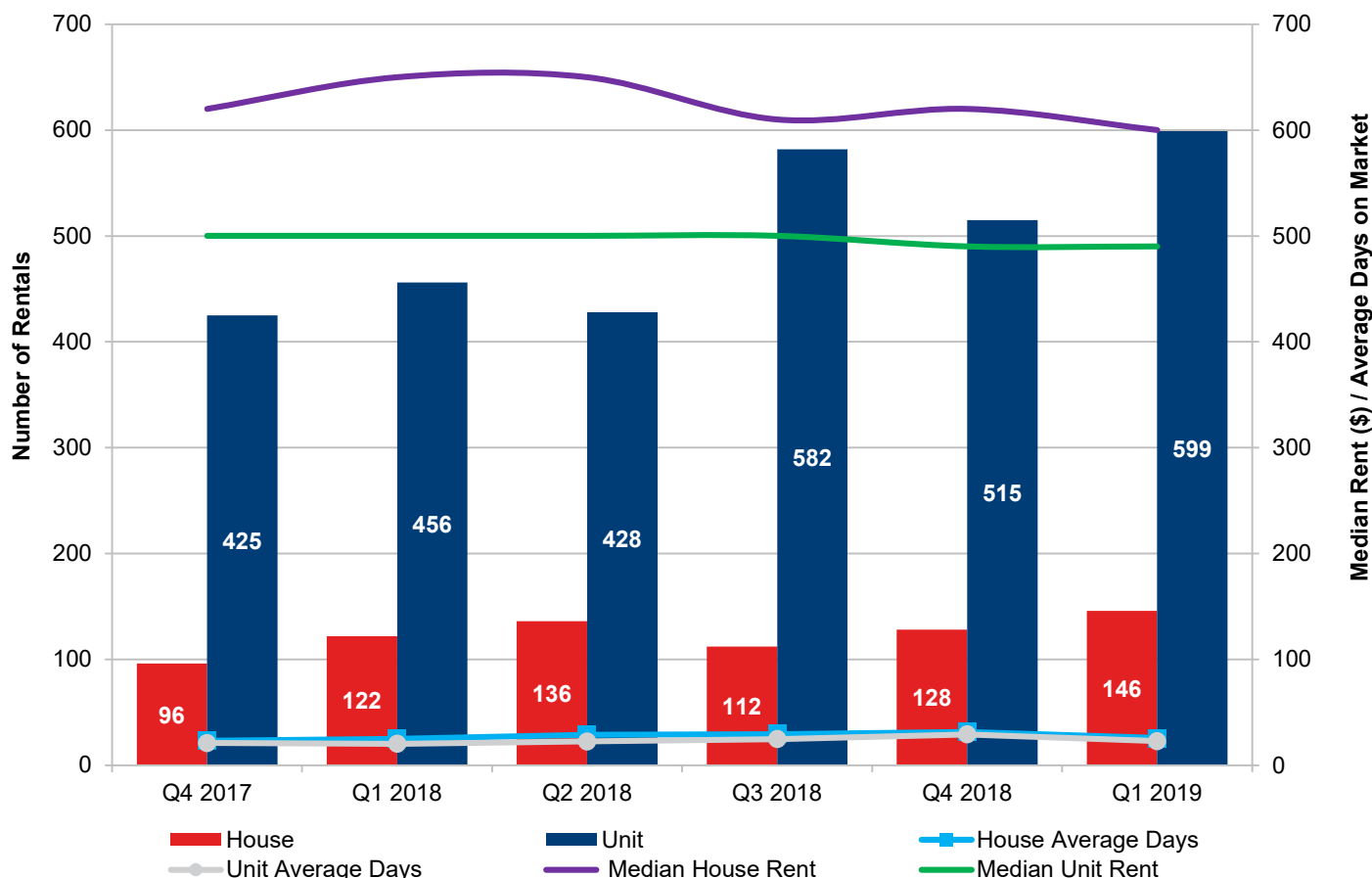
Median Rent Price: \$490 per week
Rental Yield: 3.9%
Average Days on Market: 23
Bedroom Breakdown:
 1 Bed: 16%, 2 Bed: 70%, 3+ Bed: 14%

KEY COMMENTS

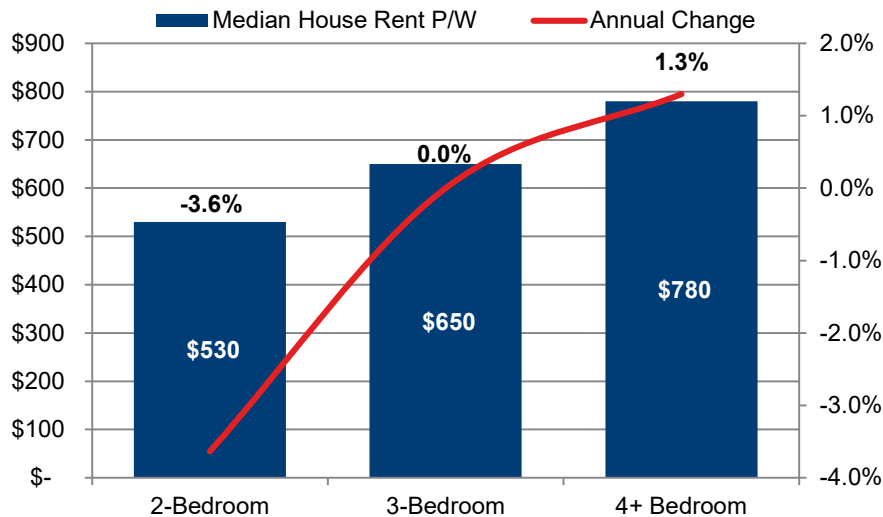
The number of houses rented in Kogarah* increased by 19.7% between Q1 2018 and Q1 2019, and the number of units increased by 31.4%. During this time the median rental price declined, by -7.7% for houses and -2.0% for units. As the increase in number of properties rented is higher for units yet impact on median rent price is lower, this suggest that the Kogarah* unit rental market is more resilient than the house rental market. That said average days on market has remained low over the past 6 quarters, at 26 days for house and 23 days for units in Q1 2019, indicating quicker rental returns for investors.



MEDIAN RENT AND AVERAGE DAYS ON THE MARKET*



RENTAL PERFORMANCE 2018*



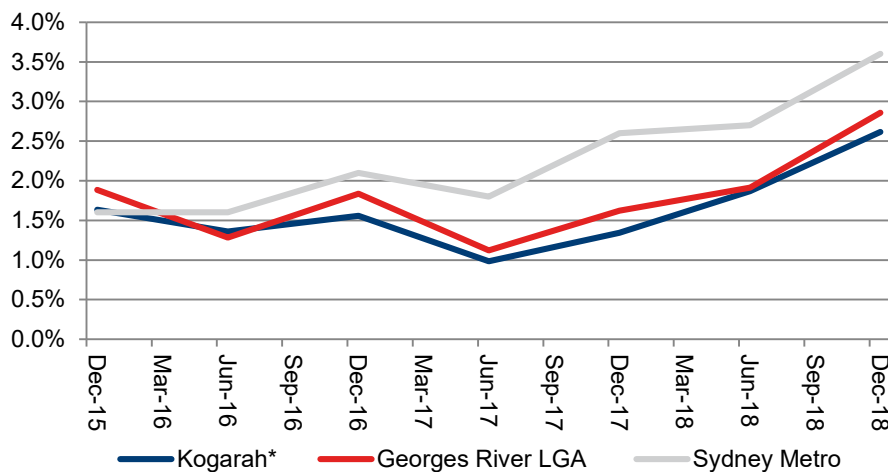
KEY COMMENTS

Rental yield in Kogarah* continue to serve investors well, increasing from 2.5% to 2.7% for house and 3.8% to 3.9% for units over the past 6 months to December 2018. Kogarah* rental yields are now on par with rental yields in Sydney Metro.

4+ bedroom houses provide the highest annual rent growth, at 1.3%.

Vacancy rates in Kogarah* was at 2.6% in December 2018, and although this represented an increasing trend this is still lower than the Georges River LGA (2.9%) and Sydney Metro (3.6%), thus indicating a healthier rental market demand in Kogarah*.

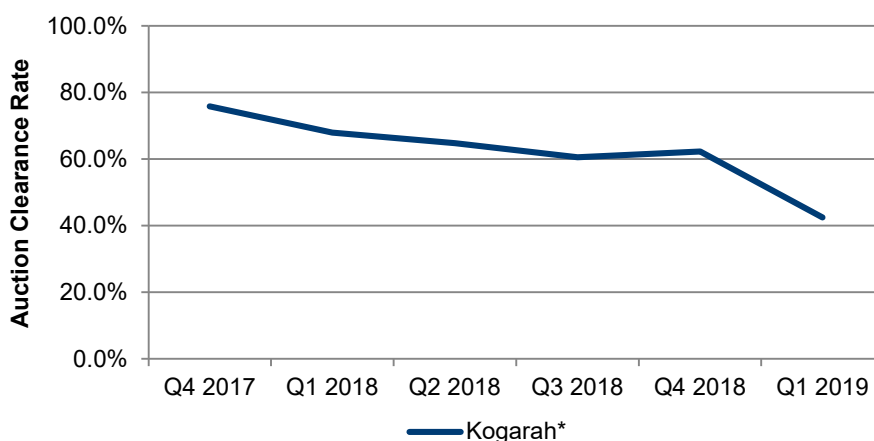
VACANCY RATES 2018



RENTAL YIELD 2018

Suburb/ Postcode/ LGA	House Rental Yield	Unit Rental Yield
Kogarah	2.7%	3.9%
Georges River LGA	2.6%	3.9%
Sydney Metro	2.9%	3.8%

AUCTION CLEARANCE RATES 2019**



Q1 19 COMPARISON

Suburb/ Postcode/ LGA	Auction Clearance Rate
Kogarah**	42.4%
Georges River LGA	46.1%
Sydney Metro^	57.8%

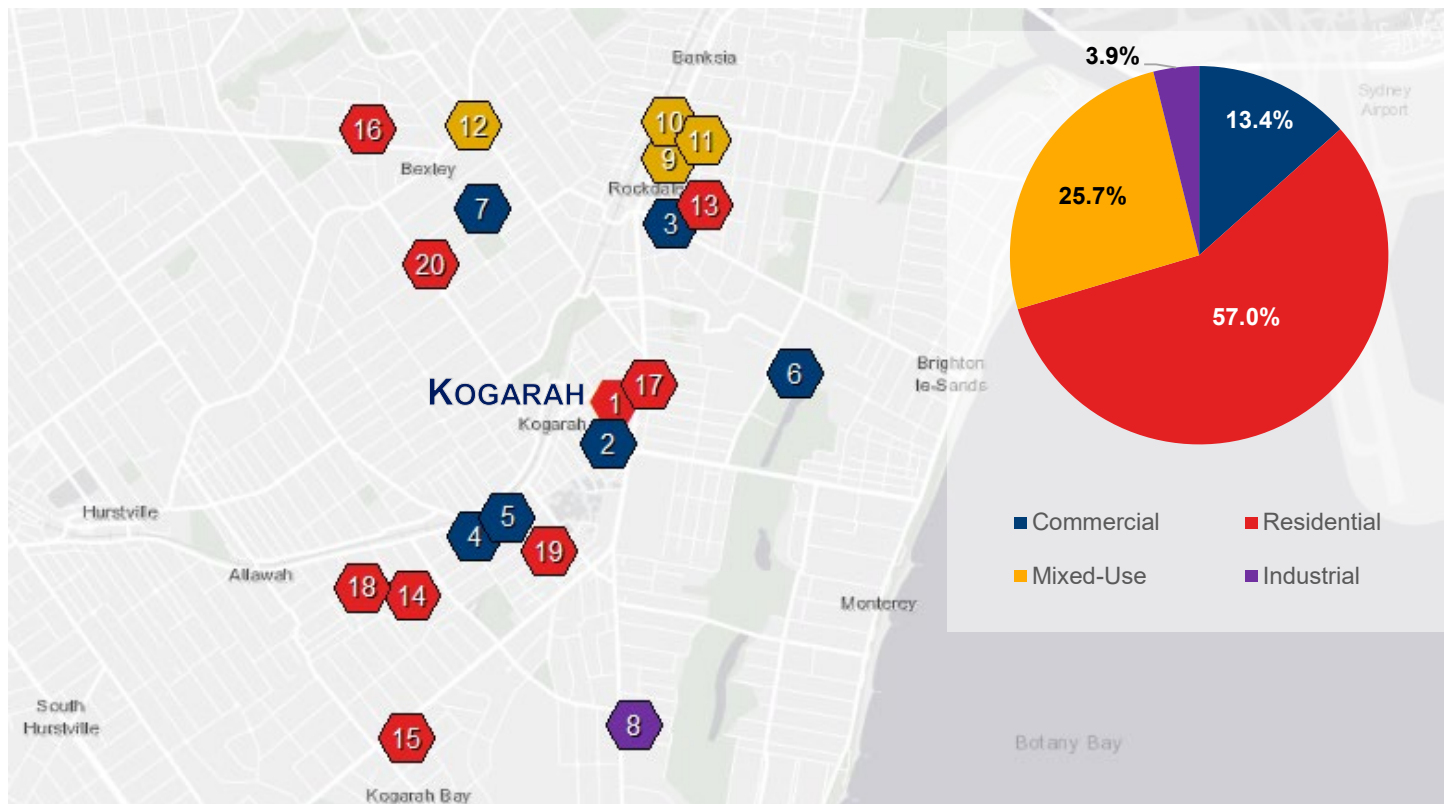
*Rental performance graph represents aggregate house median rent prices in the following suburbs: Beverley Park, Bexley, Carlton, Kogarah, Kogarah Bay, and Rockdale. Annual change is a comparison between 2017 and 2018 median rent figures.

**Auction Clearance rates for Kogarah are for all residential auctions held in the suburbs Beverley Park, Bexley, Carlton, Kogarah, Kogarah Bay, and Rockdale.

^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	Regent Street Apartments	Residential	\$83,797,000	27/05/2019
2	St George House Westpac	Commercial	\$8,000,000	04/03/2019
3	Rockdale RSL Club	Commercial	\$5,975,000	22/04/2019
4	English Street Boarding House	Commercial	\$5,045,000	30/05/2019
5	Kogarah RSL Club	Commercial	\$4,513,000	10/06/2019
6	Bermill Street Warehouse Units	Commercial	\$4,171,000	25/03/2019
7	Gladstone Street Boarding House	Commercial	\$2,979,000	02/04/2019
8	Rocky Point & Phillips Roads Industrial Development	Industrial	\$8,910,000	06/05/2019
9	Princes Hwy Mixed Development - Anew Rockdale (86 Units)	Mixed-Use	\$24,324,000	10/06/2019
10	Princes Hwy Mixed Development (60 Units)	Mixed-Use	\$15,011,000	17/06/2019
11	Princes Hwy Mixed Development - The Wave (35 Units)	Mixed-Use	\$11,536,000	11/03/2019
12	Harrow Road Mixed Use Development (20 Units)	Mixed-Use	\$7,998,000	11/03/2019
13	George St Units - 35george Apartments (47 Apartments)	Residential	\$12,553,000	29/03/2019
14	Neilsen Avenue Units (42 Units)	Residential	\$10,778,000	22/04/2019
15	John Street Apartments (25 Apartments)	Residential	\$6,000,000	27/05/2019
16	Abercorn St Dwellings (7 Dwellings)	Residential	\$5,243,000	09/01/2019
17	Princes Highway Units (16 Units)	Residential	\$4,051,000	07/01/2019
18	Bembridge Apartments (15 Units)	Residential	\$3,600,000	15/04/2019
19	Ocean Street Townhouses (8 Townhouses)	Residential	\$2,400,000	11/03/2019
20	Queen Victoria Street Apartments (7 Apartments)	Residential	\$2,285,000	29/05/2019

*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 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 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
- Primary qualitative and quantitative research

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