





OATLEY MARKET UPDATE 2nd Half 2019



OVERVIEW

In Q3 2019, Oatley* recorded a median house price of \$1,200,000, and a median unit price of \$632,500. This represents annual (Q3 2018 – Q3 2019) median price softening of -7.9% for houses and growth of 7.2% for units. At the same time total house sales improved for Q3 2019, by 9.4% to 93 sales, whilst units slowed by -16.5% to 76 sales. Houses are more affordable for buyers, and there is a potential undersupply in units – good news for unit owners.

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

MARKET CONDITIONS

SALES MEDIAN PRICE Q3 2019



SALES AVERAGE DAYS ON MARKET Q3 2019



RENTAL MEDIAN PRICE Q3 2019

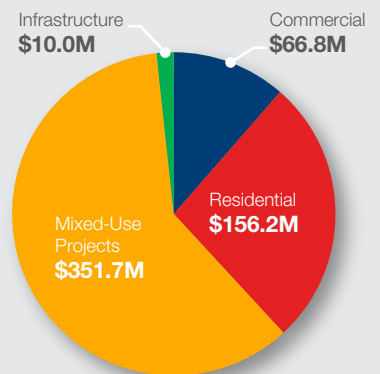


RENTAL AVERAGE DAYS ON MARKET Q3 2019



FUTURE DEVELOPMENTS

The Georges River LGA is set to see approximately **\$584.7M worth of new projects commencing in the 2nd half of 2019.**



An emphasis on mixed-use projects will further boost commercial and residential development. This ensures sufficient new dwellings for a growing population, as well as an increase in local employment opportunities. That said further investment into infrastructure may be necessary, to ensure a high level of support to current and future residents.

A main commercial project over the 2nd half of 2019 period is the Estia Health Aged Care Facility (\$31.0M). The development will construct a new 108-bed facility in place of the existing 72-bed The Bay nursing home. The mixed-use development Beyond (\$193.0M) is a major project for the period, creating 556 units and retail tenancies across two buildings at 17 and 18-storeys high.

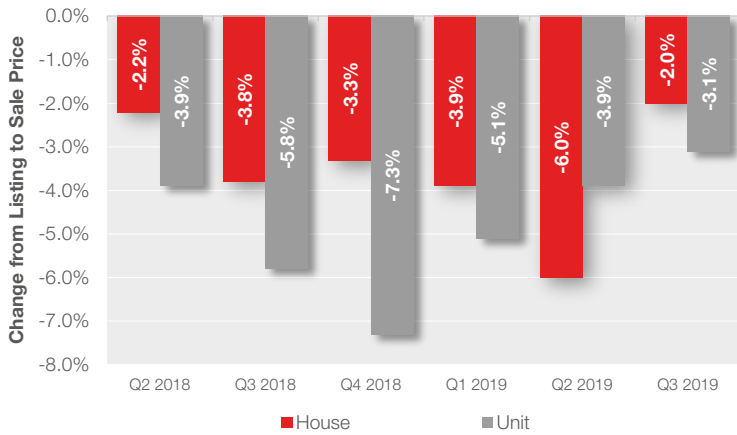


*Oatley market data and key indicators encapsulates aggregate property market conditions within the suburbs Mortdale, Oatley, Hurstville Grove, Penshurst, Lugarno, and Peakhurst Heights.**Estimated values are based on construction value provided by the relevant data authority and does not reflect commercial and/or re-sale value.

Source: APM Pricefinder, Cordell Connect database. © Copyright PRDnationwide 2019.

AVERAGE VENDOR DISCOUNT*

Average vendor discount reflects the average percentage difference between the first list price and final sold price. A lower percentage difference (closer to 0.0%) suggests that buyers are willing to purchase close to the first asking price of a property.



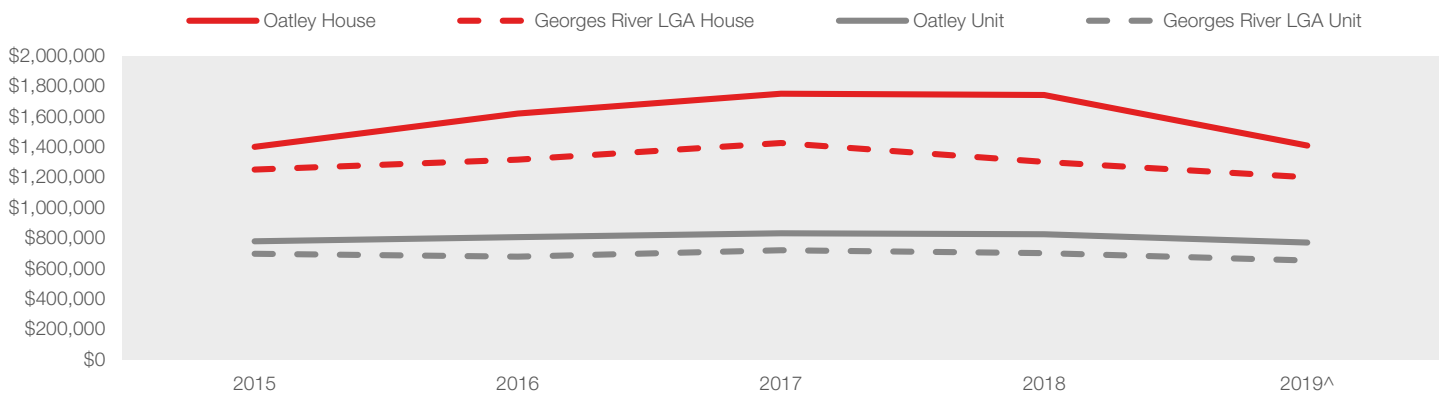
KEY COMMENTS

Average vendor discount between Q3 2018 and Q3 2019 have tightened for both property types, to -2.0% for houses and -3.1% for units. Market conditions in Oatley* continue to favour buyers, where sellers are still willing to negotiate below their initial listing price. This said, available discounting is lessening, suggesting now is the time to enter the market.

The suburb of Oatley has historically outperformed the wider Georges River Local Government Area (LGA) in both house and unit median prices. This continues to be the case in 2019[^], however house prices in Oatley* have become more on par with the LGA, indicating more affordable homes.

The dominant proportion of homes sold in Oatley* across 2019[^] were priced below \$1,000,000 (25.6%). Units recorded a dominant lower-mid price point of \$500,000-\$600,000 (31.2%) over the same period. Overall both property markets are fairly well balanced across a range of price points, creating opportunity for all types of buyers.

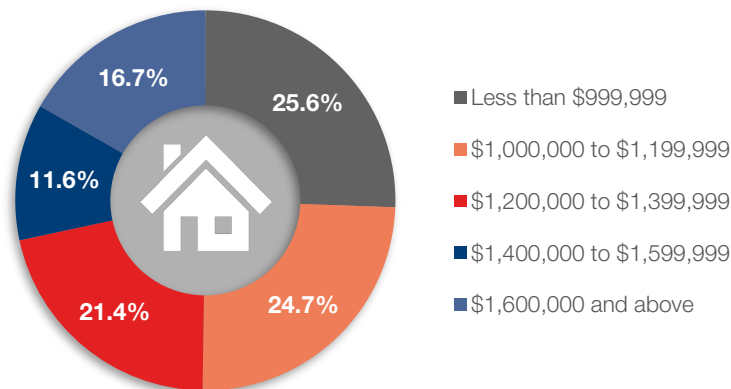
MARKET COMPARISON



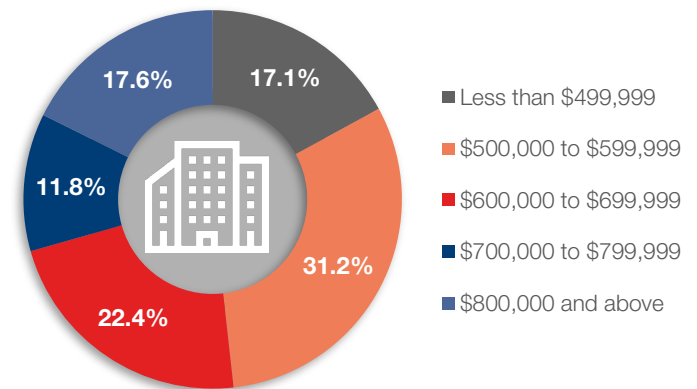
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled were chosen based on their proximity to the main suburb analysed, which is Oatley.

PRICE BREAKDOWN 2019[^]

HOUSES SOLD



UNITS SOLD

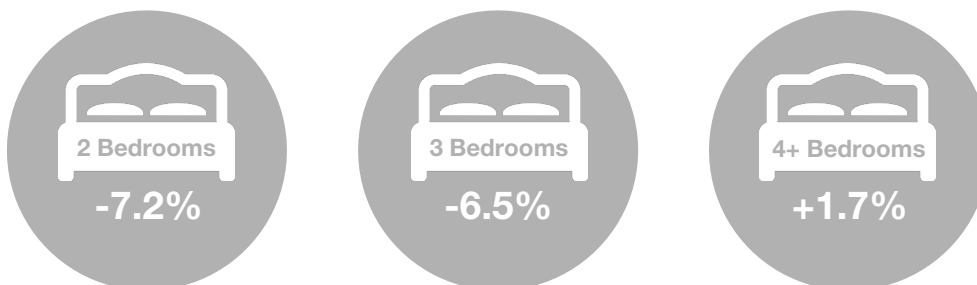


RENTAL GROWTH 2019*

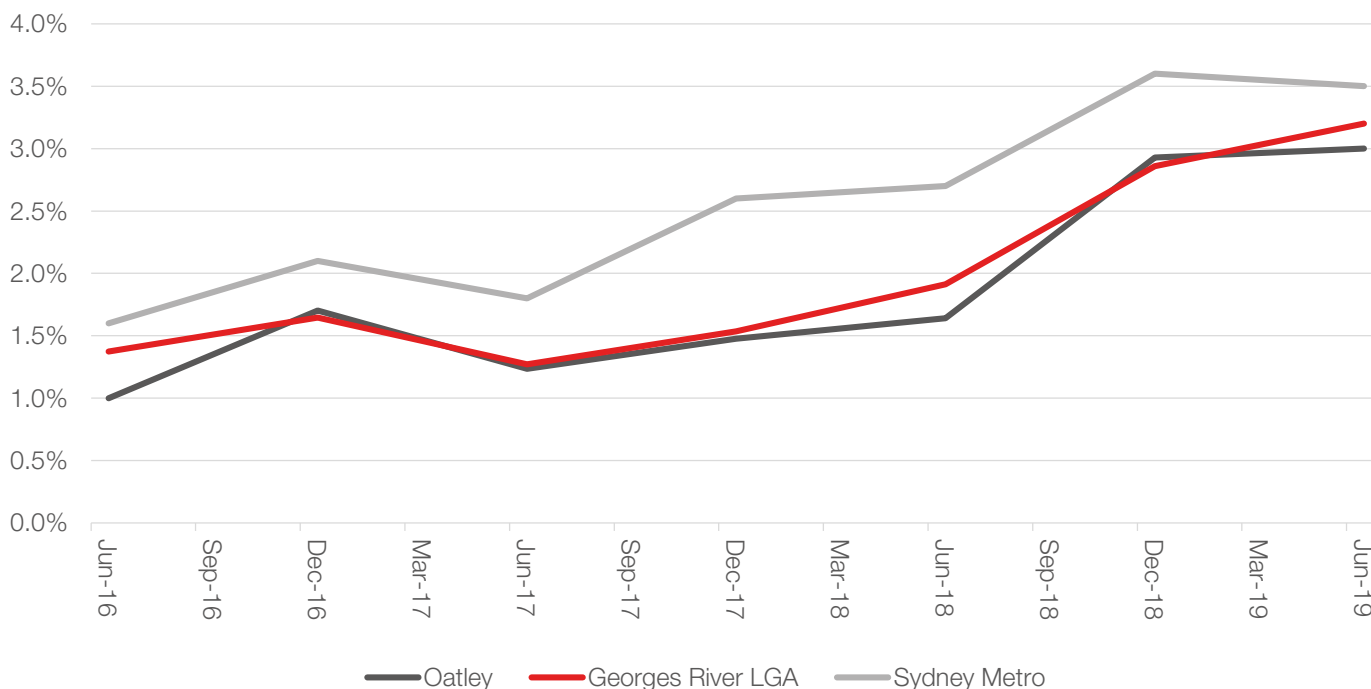
Over the past 12 months, house rental yields in Oatley* increased to reach 2.8% in June 2019, which is on-par with the Georges River LGA. This suggests the Oatley* house rental market is in a relatively healthy position, as does the increased demand for rental properties across the same time period (up by 3.3% in the 12 months to Q3 2019).

4+ bedroom houses have provided investors with +1.7% rental growth annually, achieving a median rent of \$783 per week.

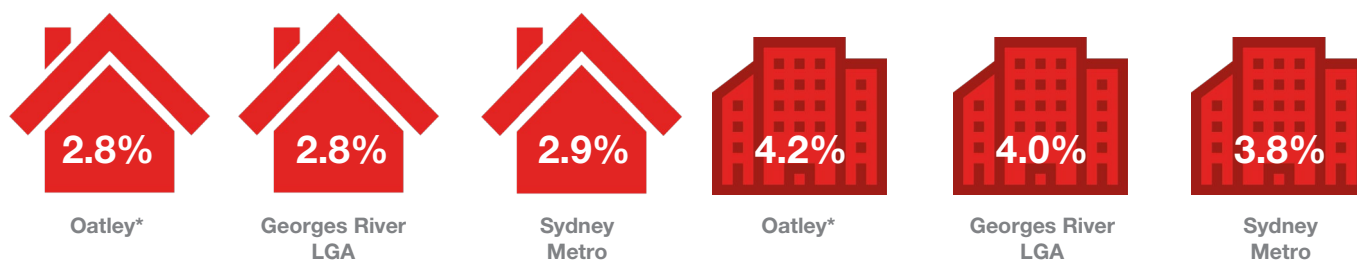
Oatley* recorded a vacancy rate of 3.0% in June 2019, which is a healthy position that is below the Sydney Metro's 3.5% average. This confirms there is a healthier rental demand in Oatley*, good news for investors.



RENTAL VACANCY RATES 2019



RENTAL YIELD 2019^

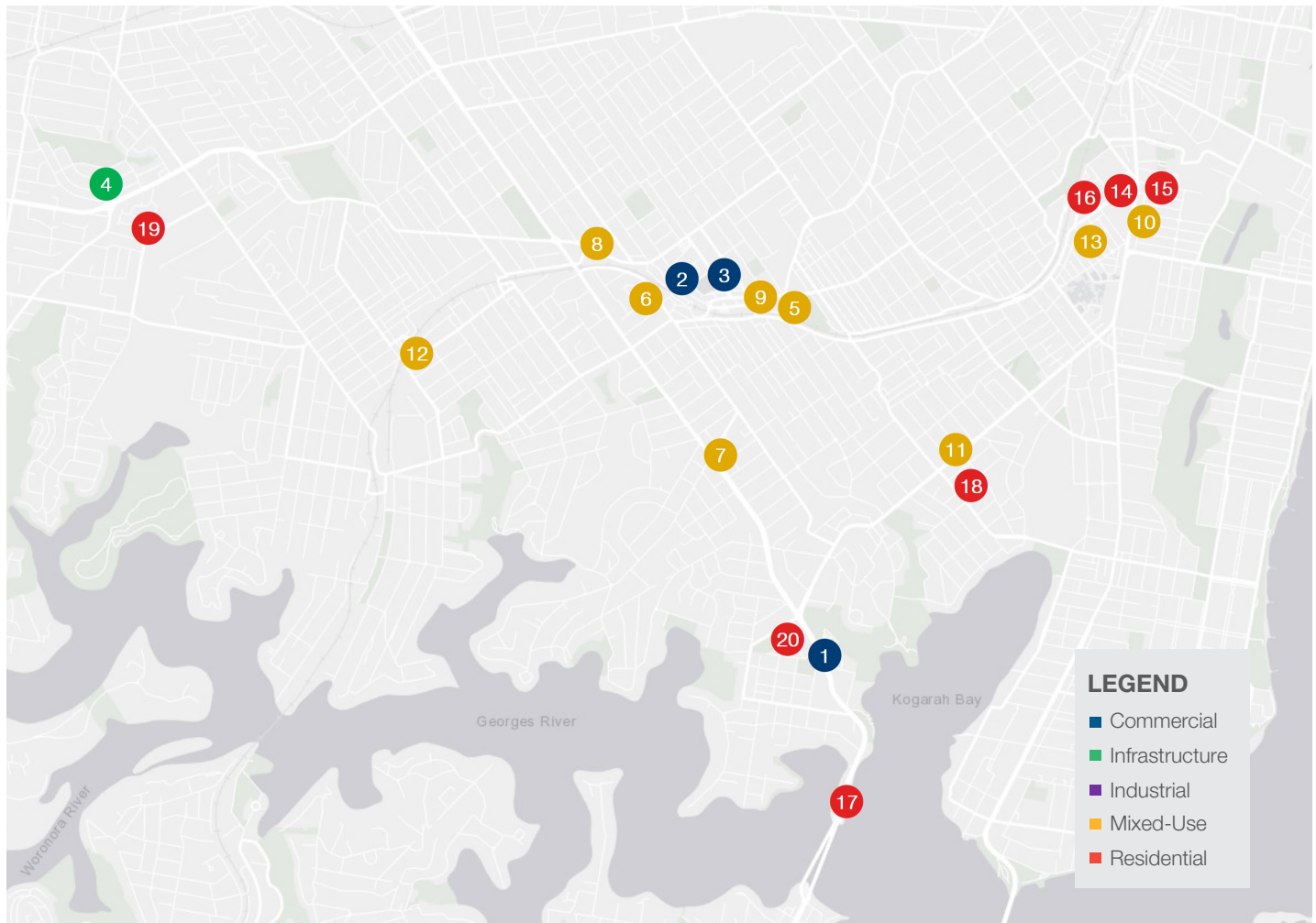


*Rental performance graph represents aggregate house median rent prices within the suburbs Mortdale, Oatley, Hurstville Grove, Penshurst, Lugarno, and Peakhurst Heights. Annual rental growth is a comparison between 2018 and 2019 (Q1 - Q3) house median rent figures.

^Rental yields shown are as reported at June 2019.

Source: APM Pricer, SQM Research. © Copyright PRDnationwide 2019.

PROJECT DEVELOPMENT MAP 2ND HALF 2019*



Location	Project**	Type	Estimated Value***	Commence Date****
1	Estia Health Aged Care Facility	Commercial	\$31,026,000	19/10/2019
2	Crofts Av Commercial Building	Commercial	\$20,447,000	20/12/2019
3	Westfield Hurstville	Commercial	\$15,315,000	26/08/2019
4	LAHC Peakhurst	Infrastructure	\$10,000,000	14/10/2019
5	Forest Rd Mixed Development – Beyond (556 Units)	Mixed-use	\$193,030,000	23/10/2019
6	Woniara Road Mixed Development - Stellar Hurstville (106 Units)	Mixed-use	\$37,472,000	09/12/2019
7	Connells Point Road & Allen Street Mixed Use Development (64 Units)	Mixed-use	\$22,732,000	15/11/2019
8	Forest Rd Mixed Development (57 Units)	Mixed-use	\$22,300,000	14/12/2019
9	Forest Rd Mixed Development (116 Units)	Mixed-use	\$22,040,000	07/10/2019
10	Princes Highway Mixed Use Development (52 Apartments)	Mixed-use	\$16,709,000	16/11/2019
11	Princes Highway Mixed Development (45 Units)	Mixed-use	\$14,911,000	18/10/2019
12	Railway Parade Mixed Use Development (40 Apartments)	Mixed-use	\$11,856,000	16/09/2019
13	Montgomery Street Mixed Use Building (27 Apartments)	Mixed-use	\$10,657,000	30/09/2019
14	Stanley Street Apartments (116 Apartments)	Residential	\$43,967,000	25/11/2019
15	Stanley Street Apartments (87 Apartments)	Residential	\$30,200,000	10/09/2019
16	Regent Street Units (88 Units)	Residential	\$29,811,000	25/11/2019
17	Princes Highway Apartments (40 Apartments)	Residential	\$16,326,000	04/12/2019
18	John Street Units - The Bay (43 Units)	Residential	\$14,189,000	11/11/2019
19	Stanley St Units (41 Units)	Residential	\$11,659,000	11/12/2019
20	Vaughan Street Units (37 Units)	Residential	\$10,049,000	16/12/2019

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

OUR KNOWLEDGE

Access to accurate and objective research is the foundation of all good property decisions.

OUR PEOPLE

Our research team is made up of highly qualified researchers who focus solely on property analysis.

OUR SERVICES

Our research services span over every suburb, LGA, and state within Australia; captured in a variety of standard and customised products.



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