

# Dapto Market Update 1st Half 2020



## OVERVIEW

In Q1 2020, Dapto\* recorded a median house price of \$610,000, and a median unit price of \$518,000. This represents annual (Q1 2019 – Q1 2020) median price growth of 6.1% for houses and of 3.6% for units. Between Q1 2019 – Q1 2020 total house sales increased by 7.5% to 100 sales, while unit sales declined by -34.8% to 15 sales. These indicators suggest there is a real increase in capital growth in the Dapto\* house market, as the price increase was not due to a decline in stock, creating further confidence in the market.

	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 Q1 2020



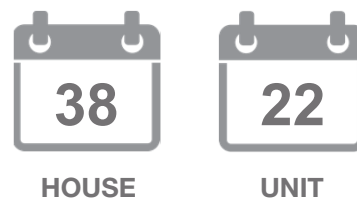
### SALES AVERAGE DAYS ON MARKET Q1 2020



### RENTAL MEDIAN PRICE Q1 2020

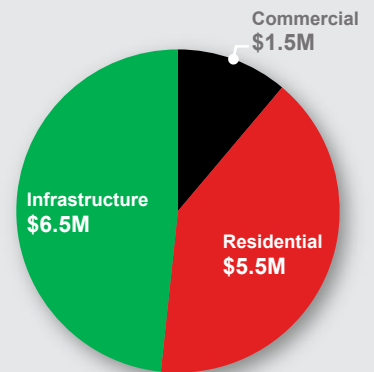


### RENTAL AVERAGE DAYS ON MARKET Q1 2020



## FUTURE DEVELOPMENTS

Dapto\* is set to see approximately **\$13.4M** worth of new projects commencing in the 1<sup>st</sup> half of 2020.



A large focus on infrastructure projects will ensure Dapto's\* residents continue to be well-served by a range of current amenities. Such projects are expected to have a positive spill-over impact on the real estate market.

A major infrastructure project for the period is the proposed \$5.6M HealthOne Community Centre, which will ensure integrated health care is available to residents. The proposed Smiths Lane Child Care Centre (\$800.0K) is a notable commercial project for the period, and is set to offer 75 places. The Princes Highway Townhouses (\$2.7M) residential project will add 11 townhouses to the Dapto property market. Others include Brook Street Townhouses (\$15M, 5 townhouses) and Greenview Estate Horsley (\$1.2M, 24 lots).



\*Dapto market data and key indicators encapsulates aggregate property market conditions within the Postcode 2530.

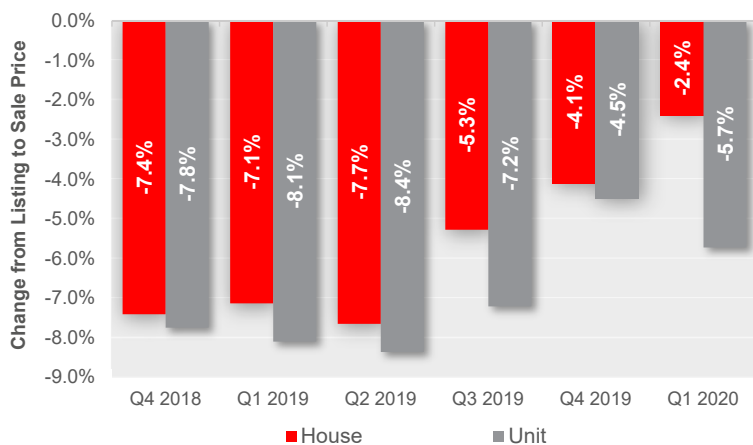
\*\*Estimated values are based on construction value provided by the relevant data authority and does not reflect commercial and/or re-sale value.

Source: APM Pricefinder, Cordell Connect database. © Copyright PRD 2020.

# AVERAGE VENDOR DISCOUNT\* KEY COMMENTS

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.

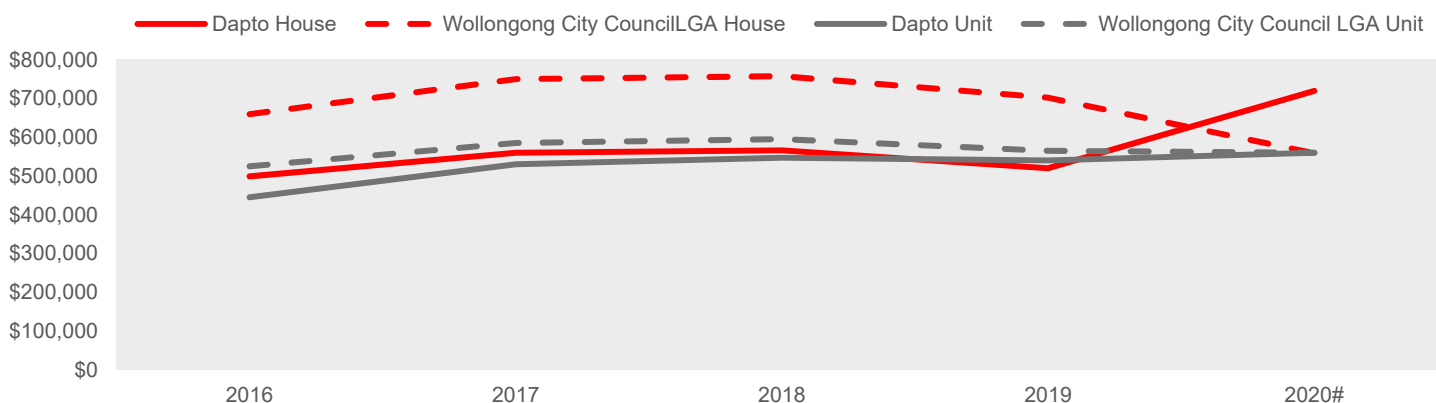
Average vendor discounts between Q1 2019 and Q1 2020 have tightened for both property types, to -2.4% for houses and -5.7% for units. Both buyers and vendors benefit, with vendors achieving closer to their initial listing price but still willing to offer buyers a discount. Now is the time to enter the market.



The suburb of Dapto has historically outperformed the wider Wollongong Local Government Area in both its median house price. This said, the start of 2020# has seen an unusual reversal, potentially due to COVID19 market uncertainties. Further sales for the rest of 2020 are expected to see a correction to current conditions.

The dominant proportion of homes sold in Dapto\* across 2019^ were priced in the mid-range \$550,000-\$650,000 (28.4%), while units recorded a dominant price of less than \$500,000 (34.1%). This confirms there is a property for every budget in Dapto\*.

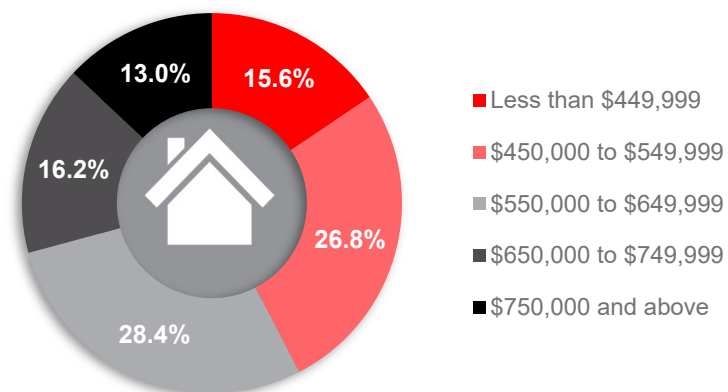
## MARKET COMPARISON



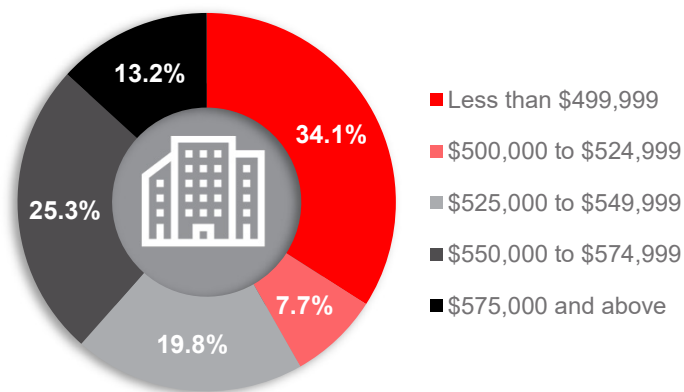
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled were chosen based on their proximity to the main suburb analysed, which is Dapto.

## PRICE BREAKDOWN 2019^

### HOUSES SOLD



### UNITS SOLD



## RENTAL GROWTH 2019\*

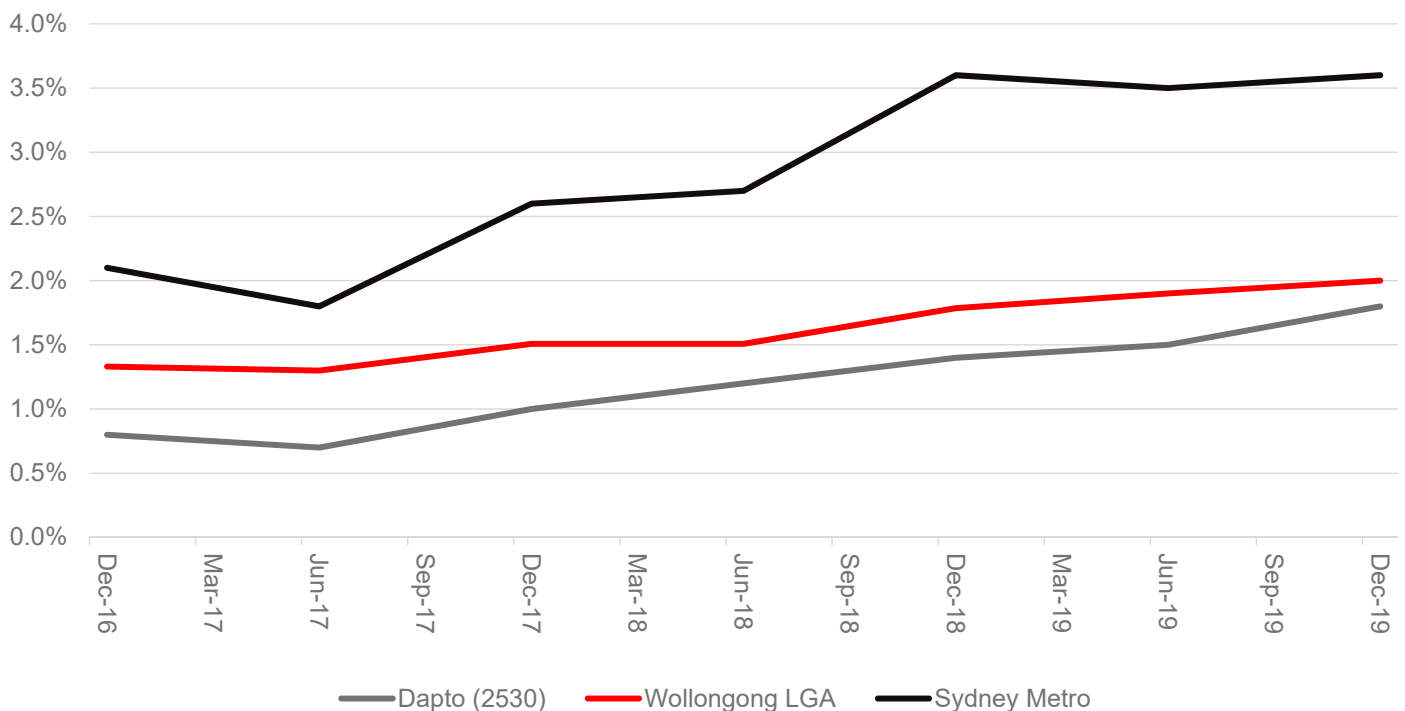
Over the past 12 months, house rental yields in Dapto remained steady, to sit at 3.7% in December 2019. This suggests the house rental market is in a healthy position, particularly when combined with the increased demand for rental properties across the same time period (up by 24.5% in the 12 months to Q1 2020).

4+ bedroom houses have provided investors with +3.6% rental growth annually, achieving a median rent of \$490 per week.

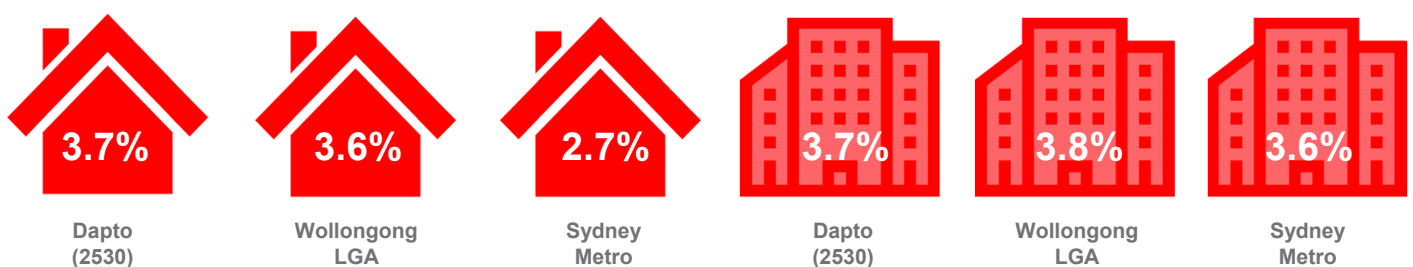
Dapto recorded a vacancy rate of 1.8% in December 2019, which despite representing an increasing trend is still well below the Real Estate Institute of Australia's healthy benchmark of 3.0%, and is significantly below Sydney Metro's 3.6%. This confirms there is a healthier rental demand in Dapto, and with a lower median entry sale price compared to Sydney Metro, makes it an affordable investment alternative.



## RENTAL VACANCY RATES 2019



## RENTAL YIELD 2019^

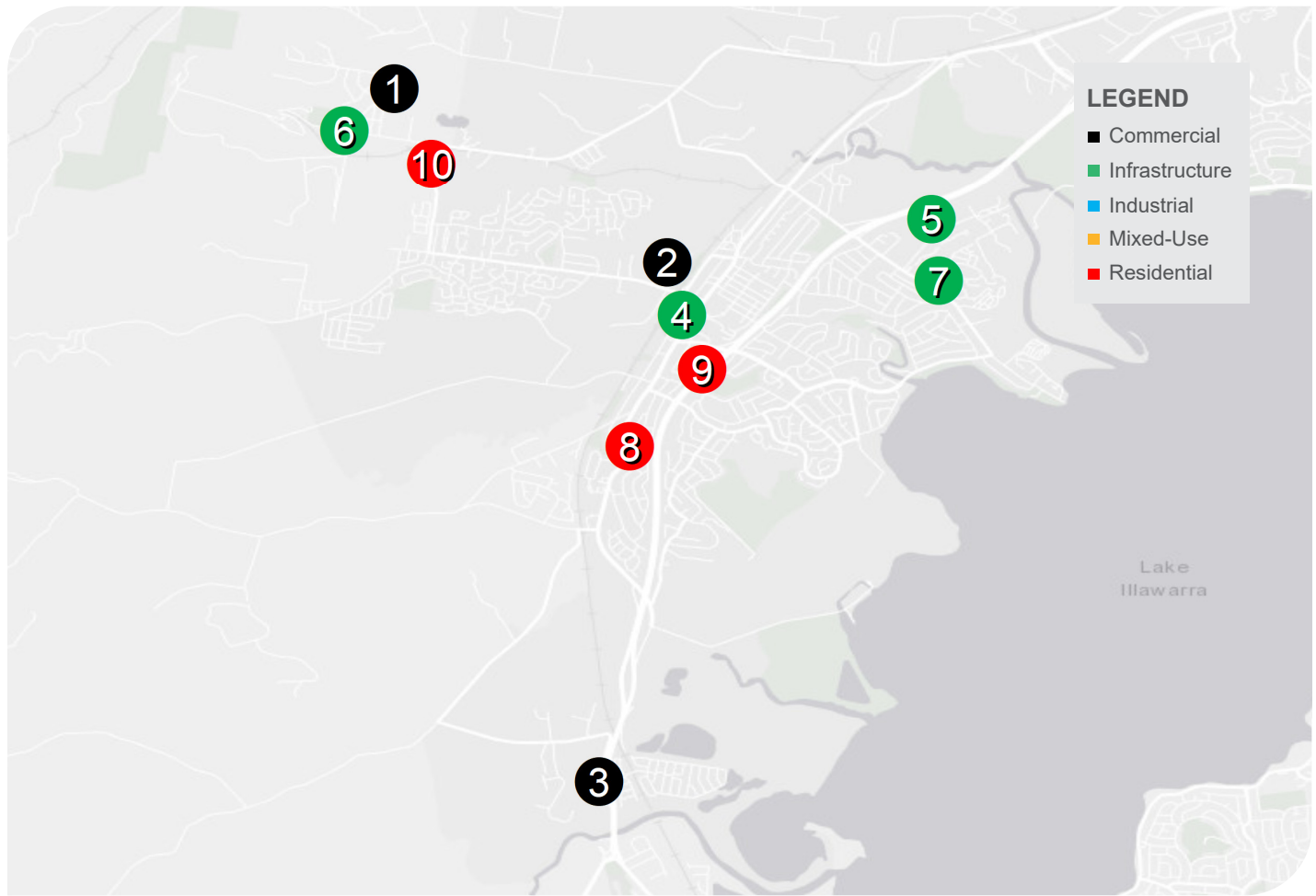


\*Rental performance graph represents aggregate house median rent prices within the Postcode 2530. Annual rental growth is a comparison between 2018 and 2019 house median rent figures.

^Rental yields shown are as reported at December 2019.

Source: APM Pricer, SQM Research. © Copyright PRD 2020.

# PROJECT DEVELOPMENT MAP 1ST HALF 2020\*



Location	Project**	Type	Estimated Value***	Commence Date****
1	Smiths Lane Child Care Centre	Commercial	\$800,000	18/04/2020
2	Hamilton Street Storage Units	Commercial	\$500,000	30/01/2020
3	Harrigan Ford Yallah	Commercial	\$200,000	04/02/2020
4	Healthone Community Health Centre Dapto	Infrastructure	\$5,573,000	15/02/2020
5	Henry Brooks Estate	Infrastructure	\$400,000	11/05/2020
6	Wongawilli Road Electrical Works	Infrastructure	\$400,000	21/04/2020
7	Lakeside Leisure Centre	Infrastructure	\$124,000	12/02/2020
8	Princes Highway Townhouses (11 Townhouses)	Residential	\$2,750,000	17/03/2020
9	Brook Street Townhouses (5 Townhouses)	Residential	\$1,500,000	24/02/2020
10	Greenview Estate Horsley (24 Lots)	Residential	\$1,200,000	17/01/2020

## 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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