



# Kogarah Market Update 1st Half 2020



## OVERVIEW

In Q1 2020, Kogarah\* recorded a median house price of \$1,285,000, and a median unit price of \$630,000. This represents annual (Q1 2019 – Q1 2020) median price growth of 25.4% for houses and of 1.6% for units. Between Q1 2019 – Q1 2020 total sales in both markets slowed down, by -15.4% for houses (to 44 sales) and by -6.3% for units to 118 sales. With limited stock on the market and prices increasing, there is a potential undersupply in Kogarah\* yet still quality enquiries. This gives confidence for those wanting to sell.

	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

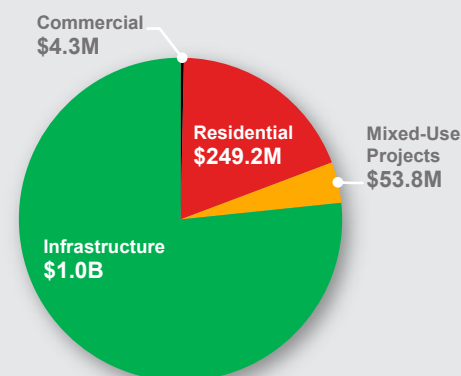


### RENTAL AVERAGE DAYS ON MARKET Q1 2020



## FUTURE DEVELOPMENTS

Kogarah\* is set to see approximately **\$1.3B worth of new projects commencing in the 1st half of 2020.**



Major spending on infrastructure in Kogarah\* will create key amenity improvements to enhance the lifestyles of residents in the area, having positive effect on the property market.

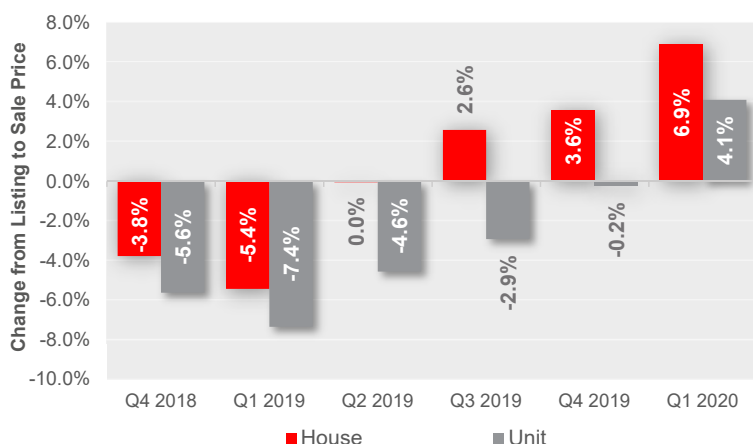
The \$1.0B M6 Stage 1 is a major infrastructure project for the period, which will see the construction of twin tunnels, onramps, intersection upgrades, pathways for cyclists and pedestrians, and a bridge, as well as other associated projects on local roads. Stoney Creek Road Mixed Use Development (\$27.2M) is a major mixed-use project which will see the creation of 76 units and 2 commercial tenancies in a six-storey building. Projects such as Kogarah Central (\$175.0M, 233 apartments) are vital for sufficient residential stock to allow for steady population growth in the area.



\*Kogarah market data and key indicators encapsulates aggregate property market conditions within the 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, 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.

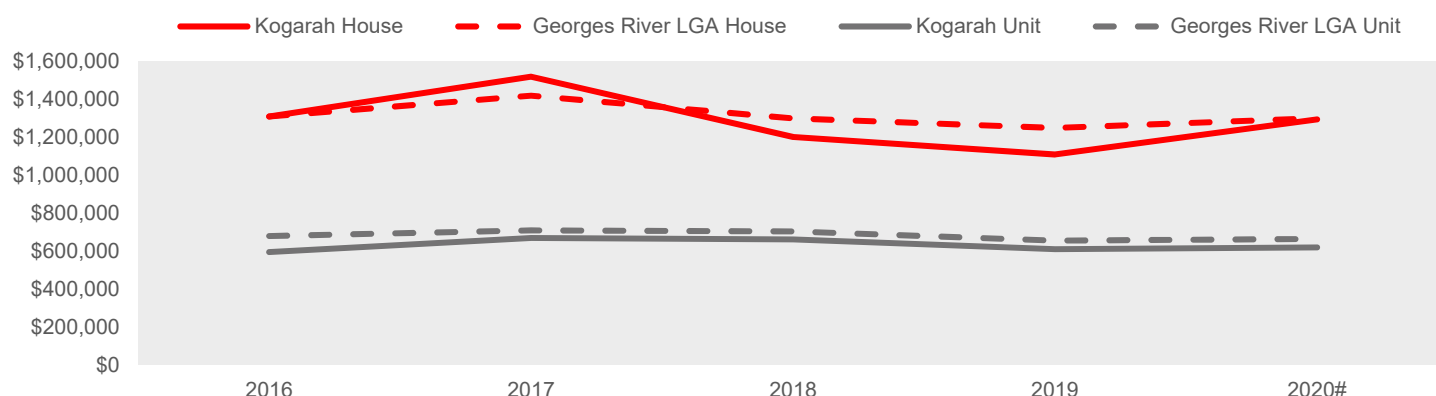


Average vendor discounts between Q1 2019 and Q1 2020 have flipped to a premium of +6.9% for houses and +4.1% for units. Market conditions in Kogarah\* have shifted strongly to favour sellers, with buyers willing to offer above the initial listing price. This provides greater confidence for those wanting to sell.

The suburb of Kogarah has historically remained a slightly more affordable than the wider Georges River LGA in both house and unit median prices. This continues to be the case in 2020<sup>#</sup>, though the median house prices are more closely aligned now.

The dominant proportion of homes sold in Kogarah\* across 2019<sup>^</sup> were priced above \$1,300,000 (34.8%), while units saw a dominant middle market price point of \$600,000-\$700,000 (31.5%). This suggests buyers with varying budgets are able to access different segments of the Kogarah\* property market.

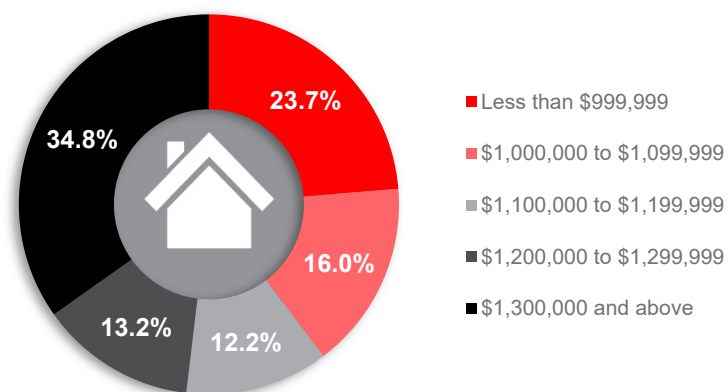
## MARKET COMPARISON



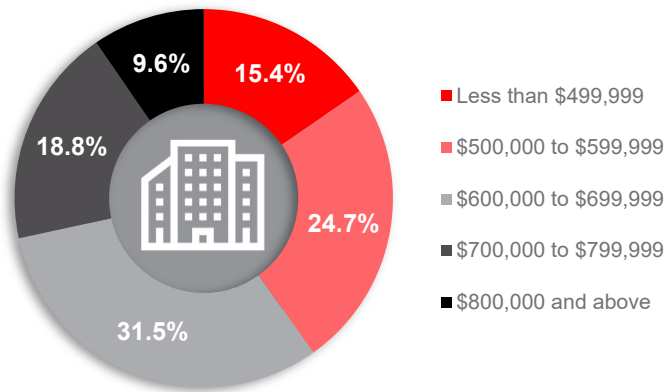
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Kogarah.

## PRICE BREAKDOWN 2019<sup>^</sup>

### HOUSES SOLD



### UNITS SOLD

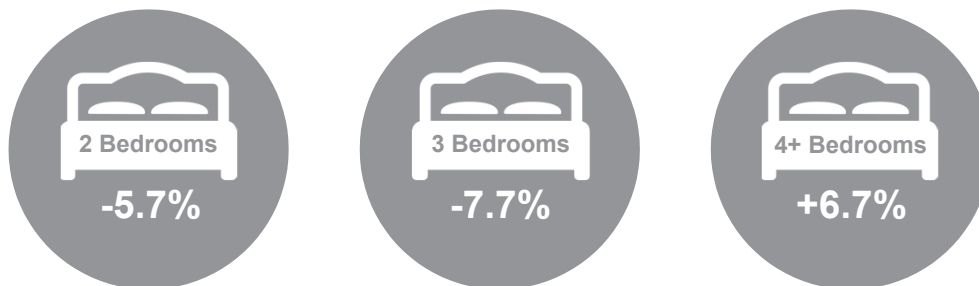


## RENTAL GROWTH 2019\*

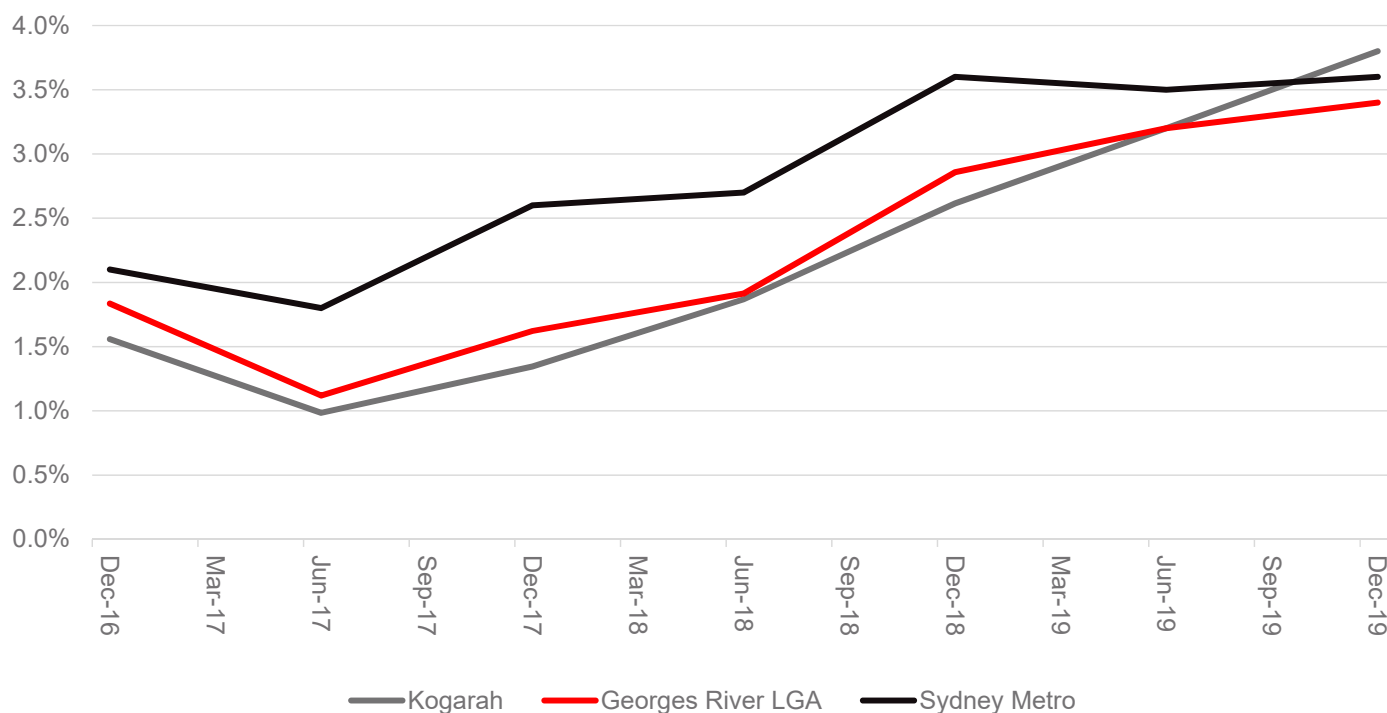
Over the past 12 months, house rental yields in Kogarah increased steadily to reach 3.2% in December 2019. This suggests the house rental market is in a healthy position, as does the ongoing demand for rental properties in Kogarah across the same time period (with 205 house rentals recorded in Q1 2020). House and unit rental yields in Kogarah are higher than that of Sydney Metro, which suggests that with comparable median entry sale prices Kogarah provided higher returns. This is good news for those wanting an alternative investment landscape to Sydney Metro.

4+ bedroom houses have provided investors with +6.7% rental growth annually, achieving a median rent of \$800 per week.

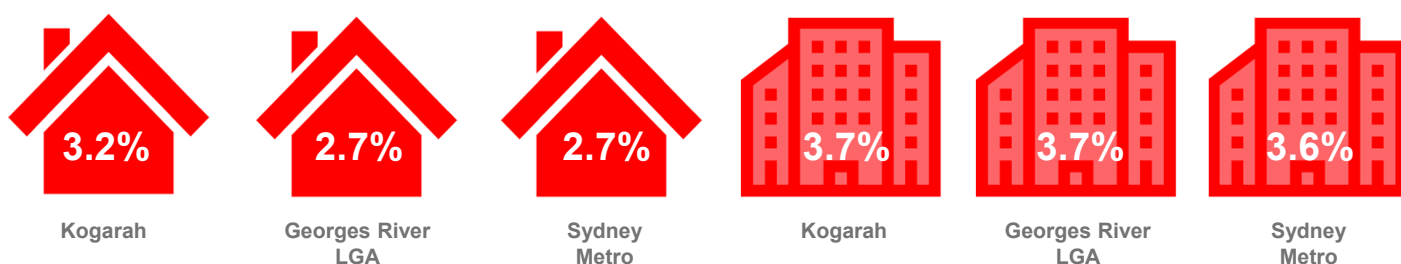
Kogarah recorded a vacancy rate of 3.8% in December 2019, slightly above Sydney Metro's 3.6% average. Investors may wish to consider signing good tenants on longer-term leases for cashflow security.



## RENTAL VACANCY RATES 2019



## RENTAL YIELD 2019^

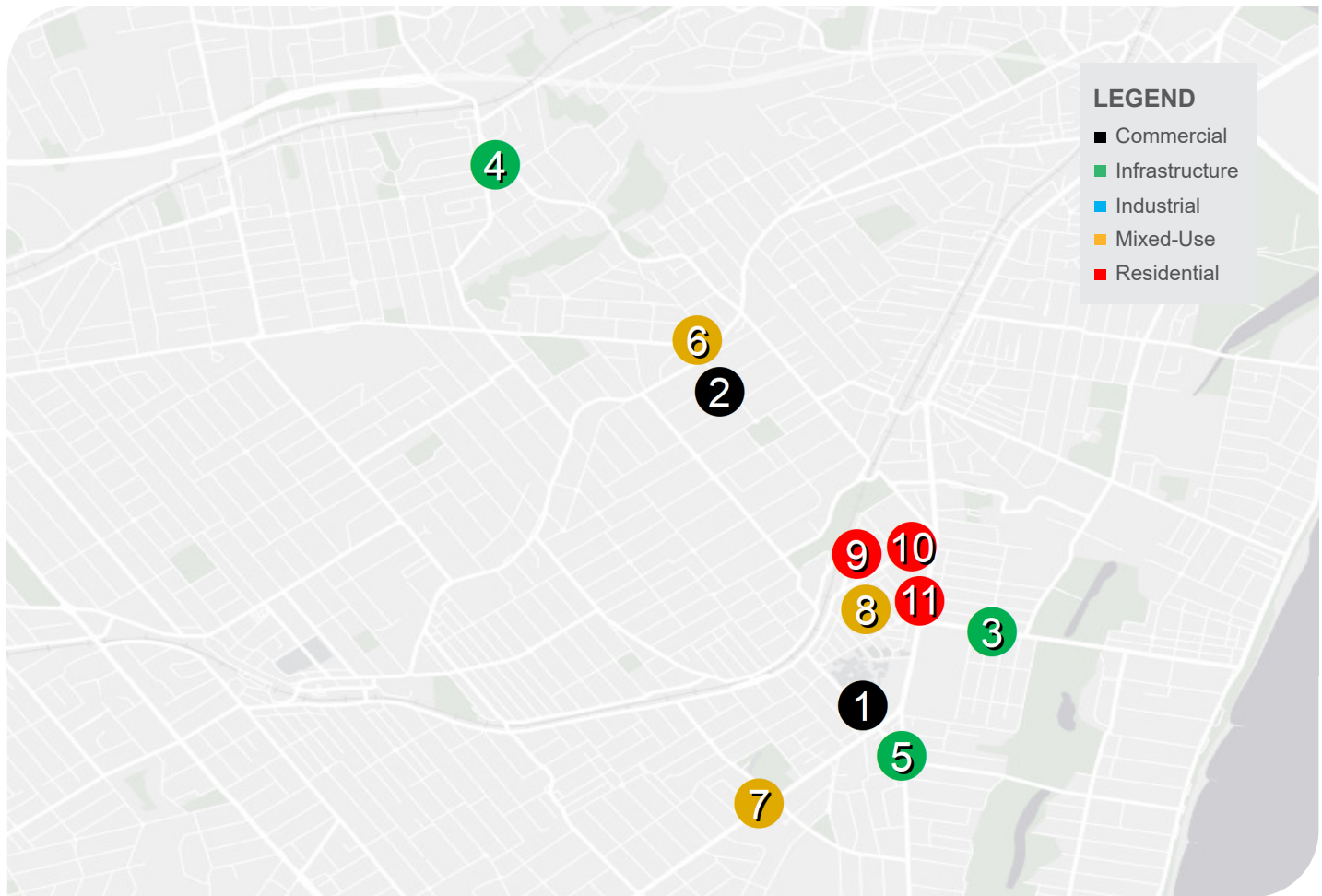


\*Rental performance graph represents aggregate house median rent prices within the suburbs Beverley Park, Bexley, Carlton, Kogarah, Kogarah Bay, and Rockdale. Annual rental growth is a comparison between 2018 and 2019 house median rent figures.

^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	Gray Street Boarding House	Commercial	\$2,860,000	31/01/2020
2	Fairmont Aged Care	Commercial	\$1,483,000	25/05/2020
3	M6 Extension Stage 1	Infrastructure	\$1,000,000,000	20/06/2020
4	New Illawarra & Bexley Roads Apartments	Infrastructure	\$7,607,000	13/06/2020
5	Bayside Council Residential Houses	Infrastructure	\$500,000	10/04/2020
6	Stoney Creek Road Mixed Use Development (76 Units)	Mixed-use	\$27,227,000	08/06/2020
7	Princes Highway Mixed Use Development (40 Units)	Mixed-use	\$15,920,000	01/01/2020
8	Montgomery Street Mixed Use Building (27 Apartments)	Mixed-use	\$10,657,000	12/02/2020
9	Kogarah Central (233 Apartments)	Residential	\$175,000,000	22/01/2020
10	Stanley Street Apartments (116 Apartments)	Residential	\$43,967,000	10/02/2020
11	Stanley Street Apartments (87 Apartments)	Residential	\$30,200,000	16/06/2020

## 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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