



Maroubra Market Update 2nd Half 2020



OVERVIEW

In Q3 2020, Maroubra* recorded a median house price of \$1,915,000, and a median unit price of \$875,000. This represents annual (Q3 2019 – Q3 2020) median price growth of 10.1% for houses and of 5.4% for units. Between Q3 2018 – Q3 2020 total sales slowed, down by -1.0% for houses (to 97 sales) and by -39.2% for units (to 113 sales), potentially due to low stock in the market. That said median price growth suggest real capital growth in the area, in contrast to general COVID-19 predictions. This indicates high market resilience in Maroubra*, thus now is the time to transact.

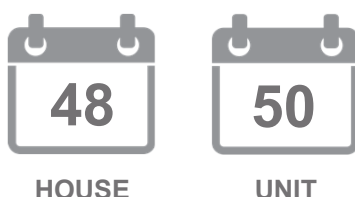
	CHANGE FROM LAST	YEAR	HALF YEAR
			
House Sales		↓	↓
House Median Price		↑	↑
House Rental Price		↓	↔
			
Unit Sales		↓	↓
Unit Median Price		↑	↓
Unit Rental Price		↓	↓

MARKET CONDITIONS

SALES MEDIAN PRICE Q3 2020



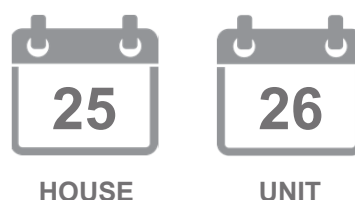
SALES AVERAGE DAYS ON MARKET Q3 2020



RENTAL MEDIAN PRICE Q3 2020

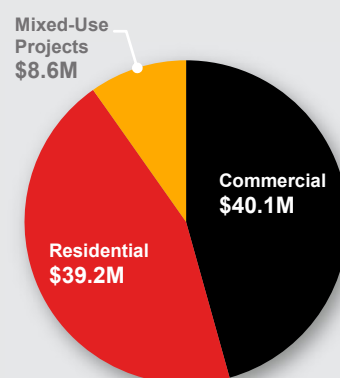


RENTAL AVERAGE DAYS ON MARKET Q3 2020



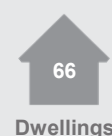
FUTURE DEVELOPMENTS

Maroubra* is set to see approximately **\$90.5M** worth of new projects commence in the 2nd half of 2020.



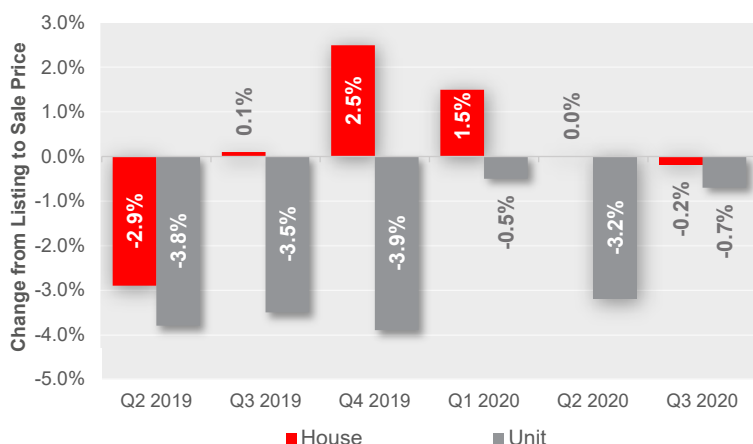
Commercial projects will stimulate economic growth through new employment, which is expected to positively impact the real estate market. Residential projects ensures there is continuous supply of new stock, which will cater to current high demand and assist in ensuring sustainable price growth.

A main commercial project over the 2nd half of 2020 is the \$19.6M Page Street Commercial and Community Development which will create 14 offices, 6 food & drink premises, and a child care centre. The \$8.6M project Marine Parade Mixed Use Development will create 16 apartments and three ground level retail tenancies, adding stock diversity to the dwelling market while creating new employment. Residential projects include: Little Bay Cove Amber Terraces (\$36.9M, 66 Dwellings) and Fitzgerald Avenue Apartments (\$1.1M, 7 apartments)



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.

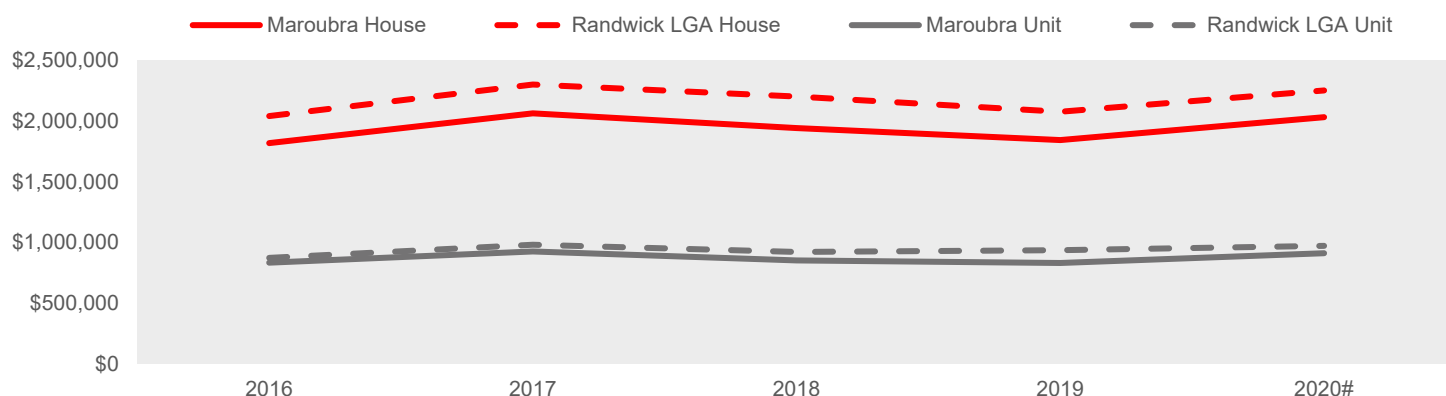


Average vendor discounts between Q3 2019 and Q3 2020 have swung to a discount of -0.2% for houses, while units have tightened to -0.7%. Market conditions have now shifted slightly to favour buyers for houses, as sellers are willing to negotiate slightly below their initial listing prices. Now is the time to enter the market.

The suburb of Maroubra has historically provided greater affordability than the wider Randwick Local Government Area (LGA) in both house and unit median prices. This continues to be the case throughout 2020#.

The dominant proportion of homes sold in Maroubra* across 2020^ were in the premium price bracket of \$2,250,000 (25.2%). Units also recorded a dominant premium price point above \$1,000,000 (30.4%). This reveals a clear buyer appetite for premium property. There is limited affordable stock present, suggesting first home buyers must act quickly.

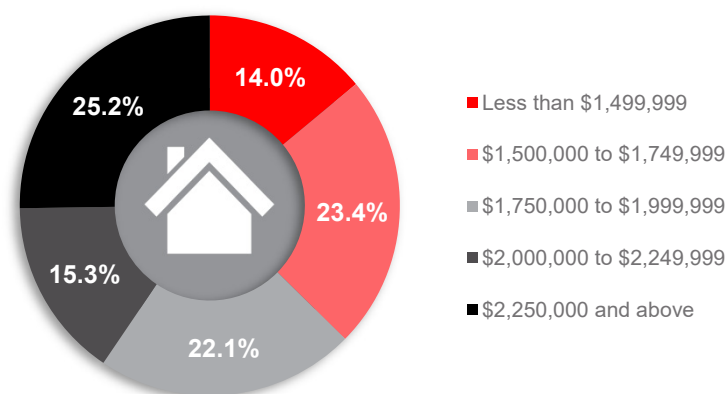
MARKET COMPARISON



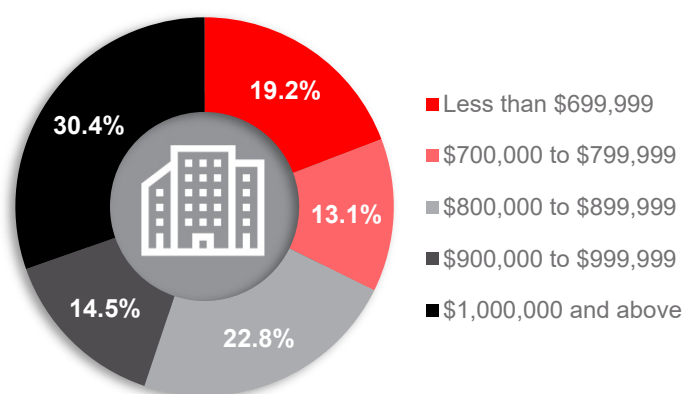
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on its proximity to the main suburb analysed, which is Maroubra.

PRICE BREAKDOWN 2020^

HOUSES SOLD



UNITS SOLD

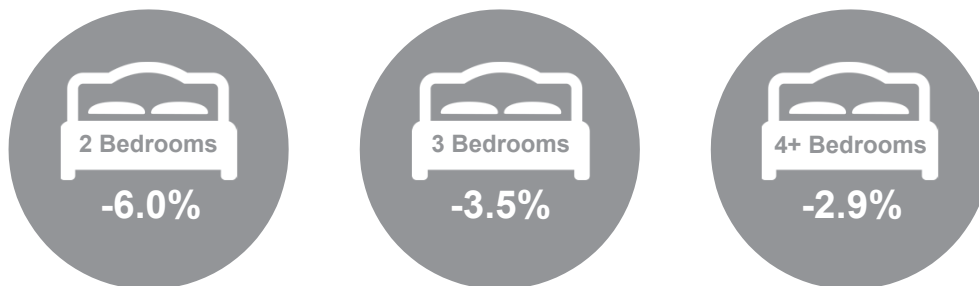


RENTAL GROWTH 2020€

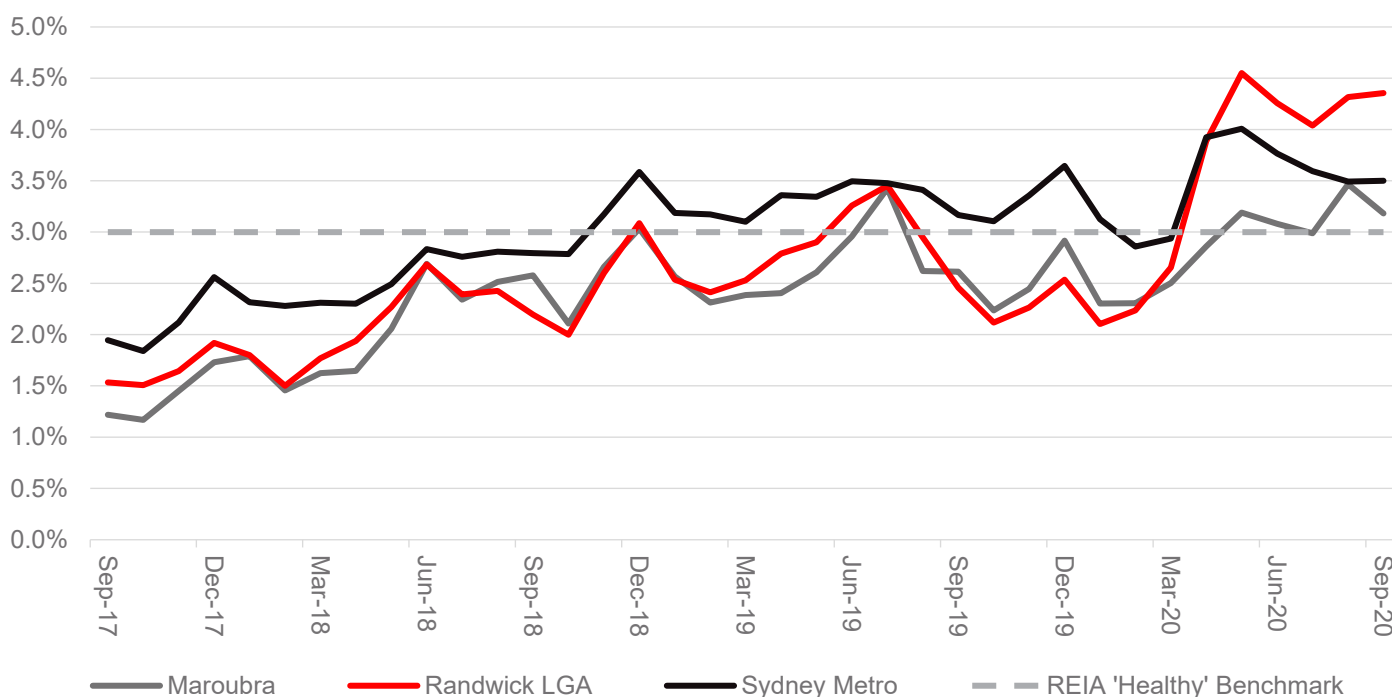
In September 2020, house rental yields in Maroubra* were recorded at 2.0%. In the 12 months to Q3 2020, the median house rental price softened slightly to move to \$850 per week, however average days on the market declined by -3.5% (to 25 days). This suggests that there continues to be an underlying rental demand, despite COVID-19 conditions.

4+ bedroom houses have provided the most resilient rental returns annually, with a median rent of \$1,165 per week.

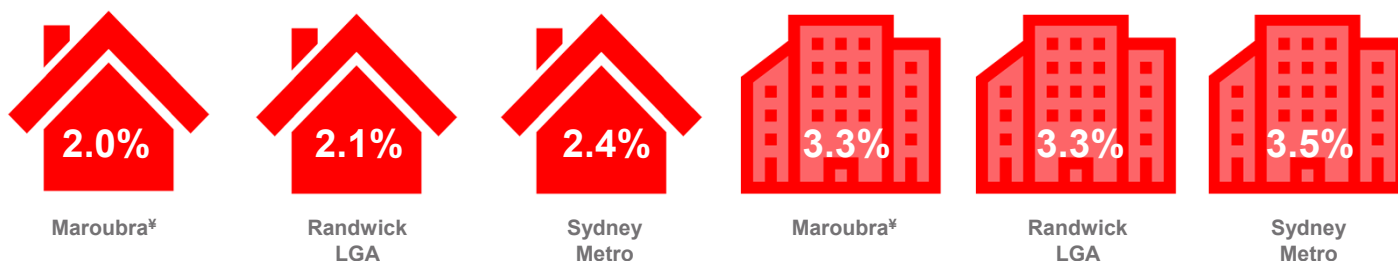
Also in September 2020, Maroubra* recorded a vacancy rate of 3.2%, well below that of Randwick LGA (4.4%) and also below Sydney Metro (3.5%). Vacancy rates in Maroubra* sit slightly above the Real Estate Institute of Australia's healthy benchmark of 3.0%, however remain fairly close. This suggests there is still a relatively healthy level of rental demand, in good news for investors within Maroubra*.



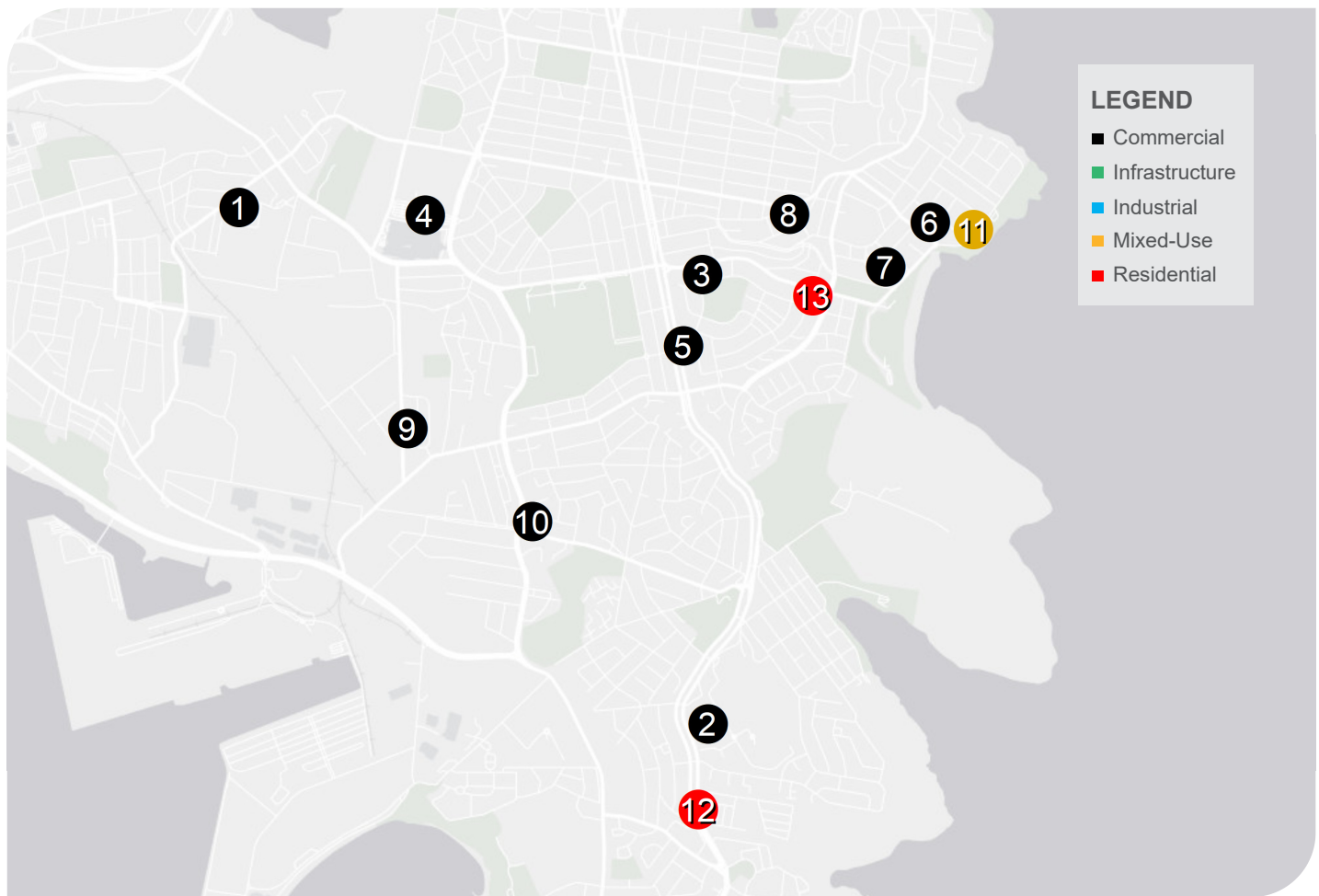
RENTAL VACANCY RATES 2020



RENTAL YIELD 2020\$



PROJECT DEVELOPMENT MAP 2ND HALF 2020*



Location	Project [£]	Type	Estimated Value [¥]	Commence Date [Ⓜ]
1	Page Street Commercial & Community Development	Commercial	\$19,550,000	16/11/2020
2	Longbay Correctional Complex Forensic Hospital Freshwater Unit	Commercial	\$8,017,000	28/12/2020
3	Chester Avenue Boarding House	Commercial	\$4,175,000	25/09/2020
4	Oscar Place Hotel Suites	Commercial	\$2,373,000	11/10/2020
5	Anzac Parade Boarding House	Commercial	\$1,494,000	26/11/2020
6	Bond Street Residential Flat Building	Commercial	\$1,464,000	14/09/2020
7	Fenton Avenue Boarding House	Commercial	\$1,341,000	13/12/2020
8	Maroubra Multi Purpose Hall	Commercial	\$1,027,000	13/10/2020
9	Denison Street Commercial Tenancies	Commercial	\$490,000	10/11/2020
10	Matraville RSL	Commercial	\$200,000	10/09/2020
11	Marine Parade Mixed Use Development (16 Apartments)	Mixed-Use	\$8,580,000	12/08/2020
12	Little Bay Cove Superlots 3 & 4 - Amber Terraces (66 Terrace Dwellings)	Residential	\$36,865,000	11/08/2020
13	Fitzgerald Avenue Apartments (7 Apartments)	Residential	\$2,298,000	13/08/2020

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.



Veronica Perez, Director
M +61 411 871 225
E vperez@prd.com.au

PRD Maroubra
P +61 2 8347 0700
F +61 2 8347 0555

Shop 2, 188 Maroubra Road
Maroubra NSW 2035

PRD.com.au/maroubra

REFERENCES

* Maroubra market data and key indicators encapsulates aggregate property market conditions within the postcodes 2035 and 2036.

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

2020 encapsulates sales transactions for 2020 (01/01/2020 – 30/09/2020) only.

^ 2020 encapsulates sales transactions for 2020 (01/01/2020 – 30/09/2020) only.

€ Annual rental growth is a comparison between 2019 (01/01/2019 – 30/06/2019) and 2020 (01/01/2020 – 30/09/2020) house median rent figures.

¥ Maroubra market data encapsulates aggregate property conditions within the postcodes 2035 and 2036.

§ Rental yields shown are as reported at September 2020.

⌘ 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 postcodes 2035 and 2036.

μ Estimated value is the value of construction costs provided by relevant data authority, it does not reflect the project's sale/commercial value.

ψ Commencement date quoted for each project is an approximate only, as provided by the relevant data authority, PRD does not hold any liability to the exact date.

Source: APM Pricerfinder, Cordell Connect database, SQM Research, ESRI ARCGIS.

Disclaimer: PRD does not give any warranty in relation to the accuracy of the information contained in this report. If you intend to rely upon the information contained herein, you must take note that the information, figures and projections have been provided by various sources and have not been verified by us. We have no belief one way or the other in relation to the accuracy of such information, figures and projections. PRD will not be liable for any loss or damage resulting from any statement, figure, calculation or any other information that you rely upon that is contained in the material.

Prepared by PRD Research © All medians and volumes are calculated by PRD Research. Use with written permission only. All other responsibilities disclaimed. © Copyright PRD 2020.