

# Bexley North Market Update 2nd Half 2020



## OVERVIEW

In Q3 2020, Bexley North\* recorded a median house price of \$1,240,000, and a median unit price of \$682,000. This represents annual (Q3 2019 – Q3 2020) median price growth of 6.9% for houses and of 12.0% for units. Between Q3 2019 – Q3 2020 total house sales increased, by 45.7% to 51 sales, while units slowed by -24.4% to 31 sales. Growth in median house price and increasing sales suggest real capital growth in the area, in contrast to general COVID-19 predictions. There is potentially an undersupply of units in Bexley North\*. Now is a good opportunity to transact 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 Q3 2020



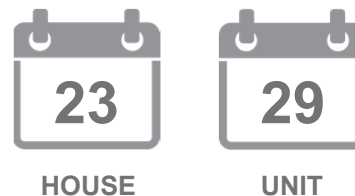
### SALES AVERAGE DAYS ON MARKET Q3 2020



### RENTAL MEDIAN PRICE Q3 2020

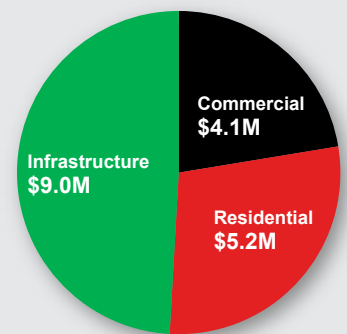


### RENTAL AVERAGE DAYS ON MARKET Q3 2020



## FUTURE DEVELOPMENTS

Bexley North\* is set to see approx. **\$18.4M** worth of new projects commence in the 2nd half of 2020.



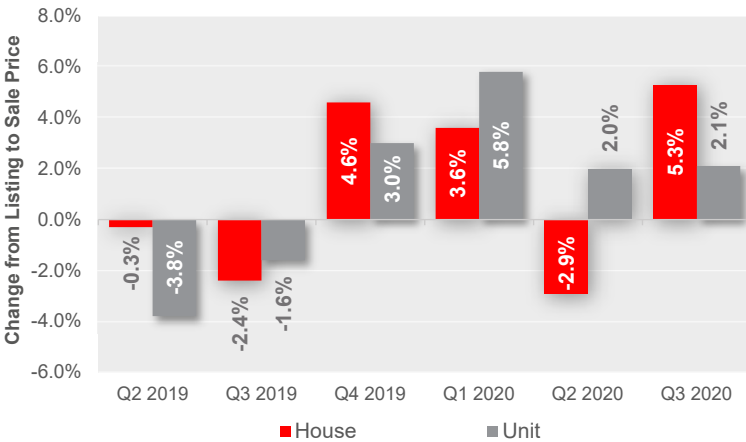
A focus on infrastructure projects will improve liveability aspects of the area, and create new jobs during construction phase. Commercial projects will also add to job opportunities. Residential projects will supply of new stock, which will cater to current high demand and assist in ensuring sustainable price growth.

A main commercial project over the 2nd half of 2020 is the \$1.7M Gladstone Street Boarding House, which will be split over three storeys and include 13 boarding rooms and a manager's room. The infrastructure project Coolibah Reserve (\$1.4M) will help improve the water quality of the wetlands through a several smaller projects, including sediment removal, creation of vegetated wetland, removal of weeds, and more. The \$5.2M residential project Abercorn Street Dwellings will create 7 dwellings, which will help in accommodating future population growth and help moderate housing prices to sustainable levels locally.



# 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.

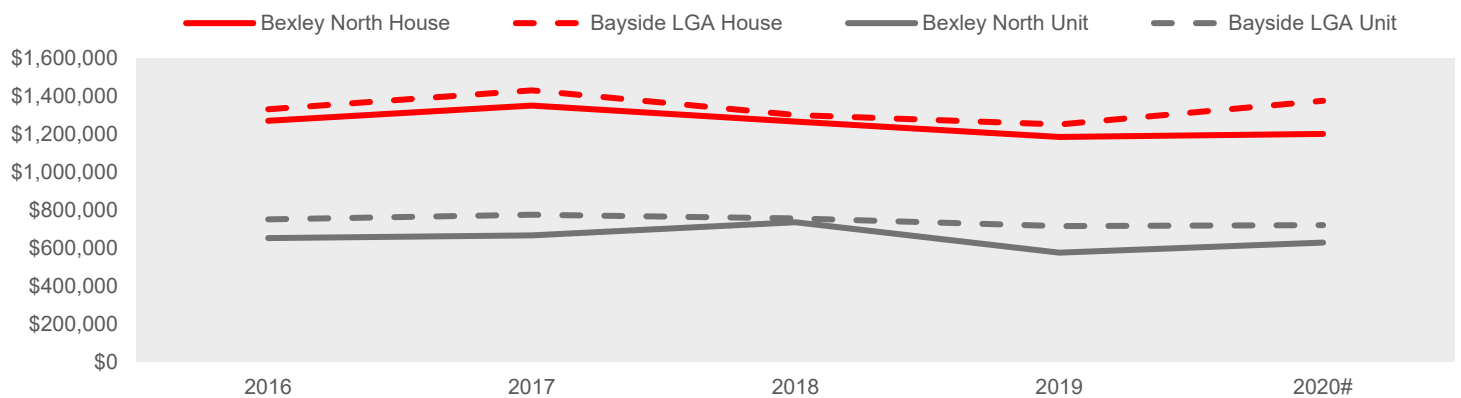


Average vendor discounts between Q3 2019 and Q3 2020 have swung to a premium for both property types, of 5.3% for houses and 2.1% for units. The market conditions in Bexley North\* have now shifted to favour sellers, as buyers are willing to offer above the initial list price. Now is a strong opportunity to sell.

The suburb of Bexley North has typically outperformed the wider Bayside Local Government Area (LGA) in its median unit price, with the reverse for houses. This continues to be the case throughout 2020#.

The dominant proportion of homes sold in Bexley North\* across 2020^ were in middle price bracket of \$1,200,000-\$1,400,000 (33.3%), while units recorded a dominant lower-middle price bracket of \$650,000-\$750,000 (30.3%). Limited stock is available in the most affordable brackets for both property types, suggesting potential first home buyers must act quickly.

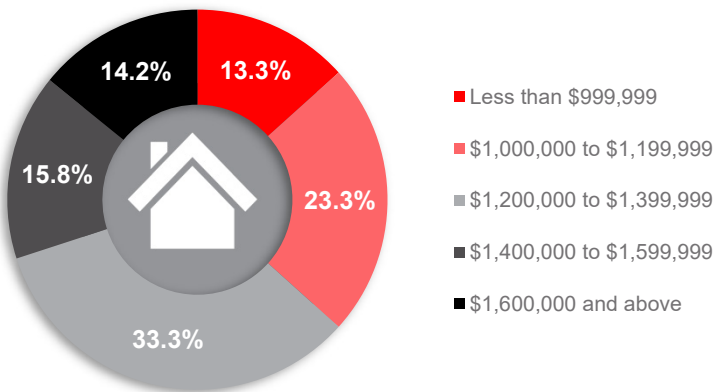
## MARKET COMPARISON



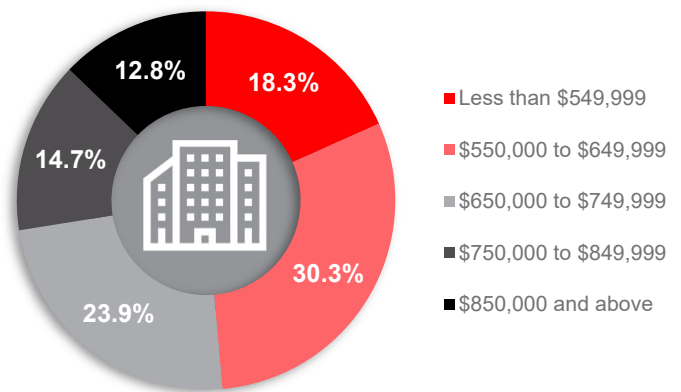
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on its proximity to the main suburb analysed, which is Bexley North.

## PRICE BREAKDOWN 2020^

### HOUSES SOLD



### UNITS SOLD

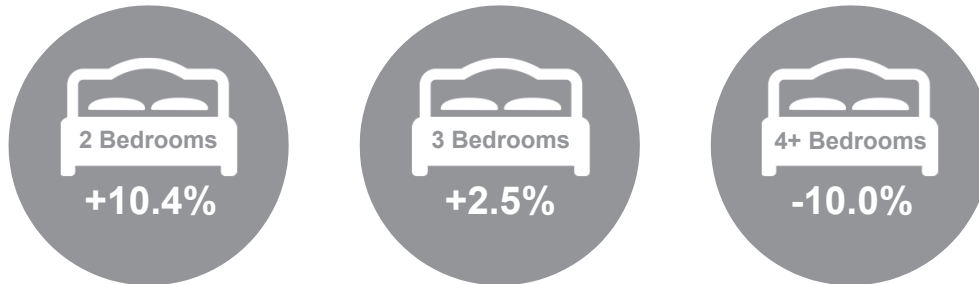


## RENTAL GROWTH 2020€

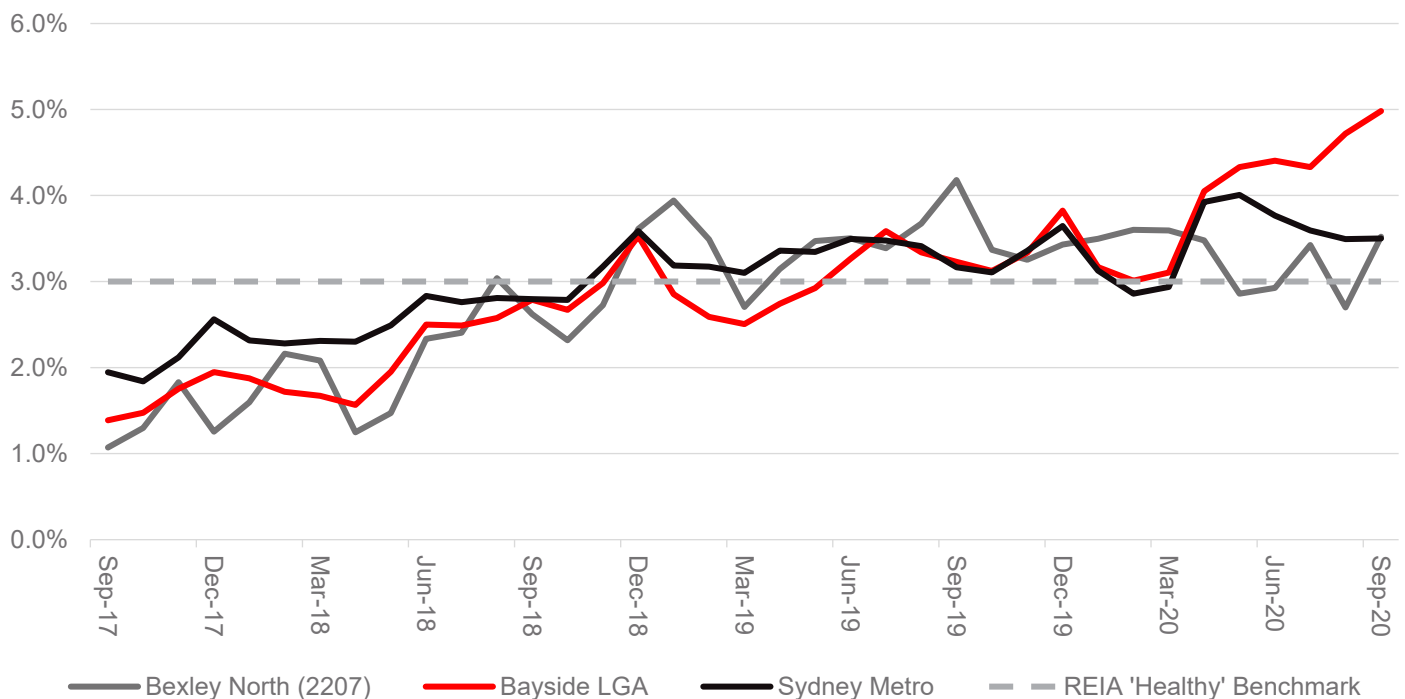
In September 2020, house rental yields in Bexley North\* were recorded at 2.7%. In the 12 months to Q3 2020, the median house rental price increased to \$630 per week, while average days on the market declined by -30.3% (to 23 days). Overall, the area has proven to offer a highly resilient rental market through COVID-19.

2 bedroom houses have provided investors with +10.4% rental growth annually, with a median rent of \$530 per week.

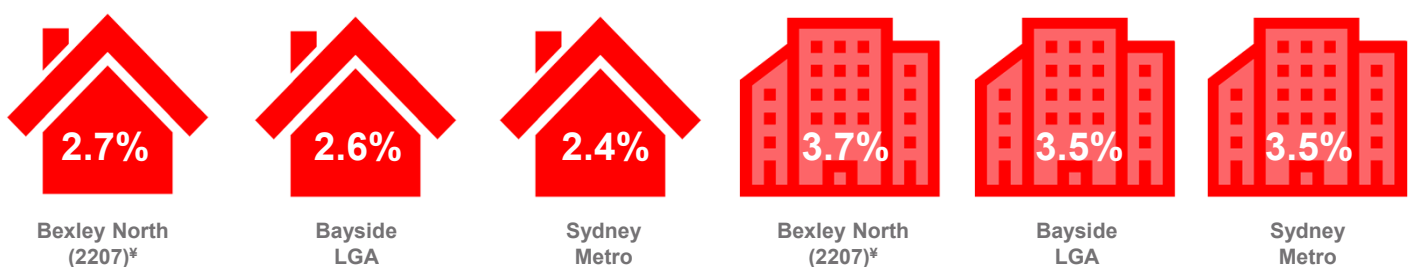
Also in September 2020, Bexley North\* recorded a vacancy rate of 3.5%, well below that of Bayside LGA (5.0%) and on-par with Sydney Metro (also 3.5%). Vacancy rates in Bexley North\* sit slightly above the Real Estate Institute of Australia's healthy benchmark of 3.0%, however remains near it and may return below given the slowdown in residential development amidst COVID-19 conditions. This confirms there is still a relatively healthy rental demand in Bexley North\*.



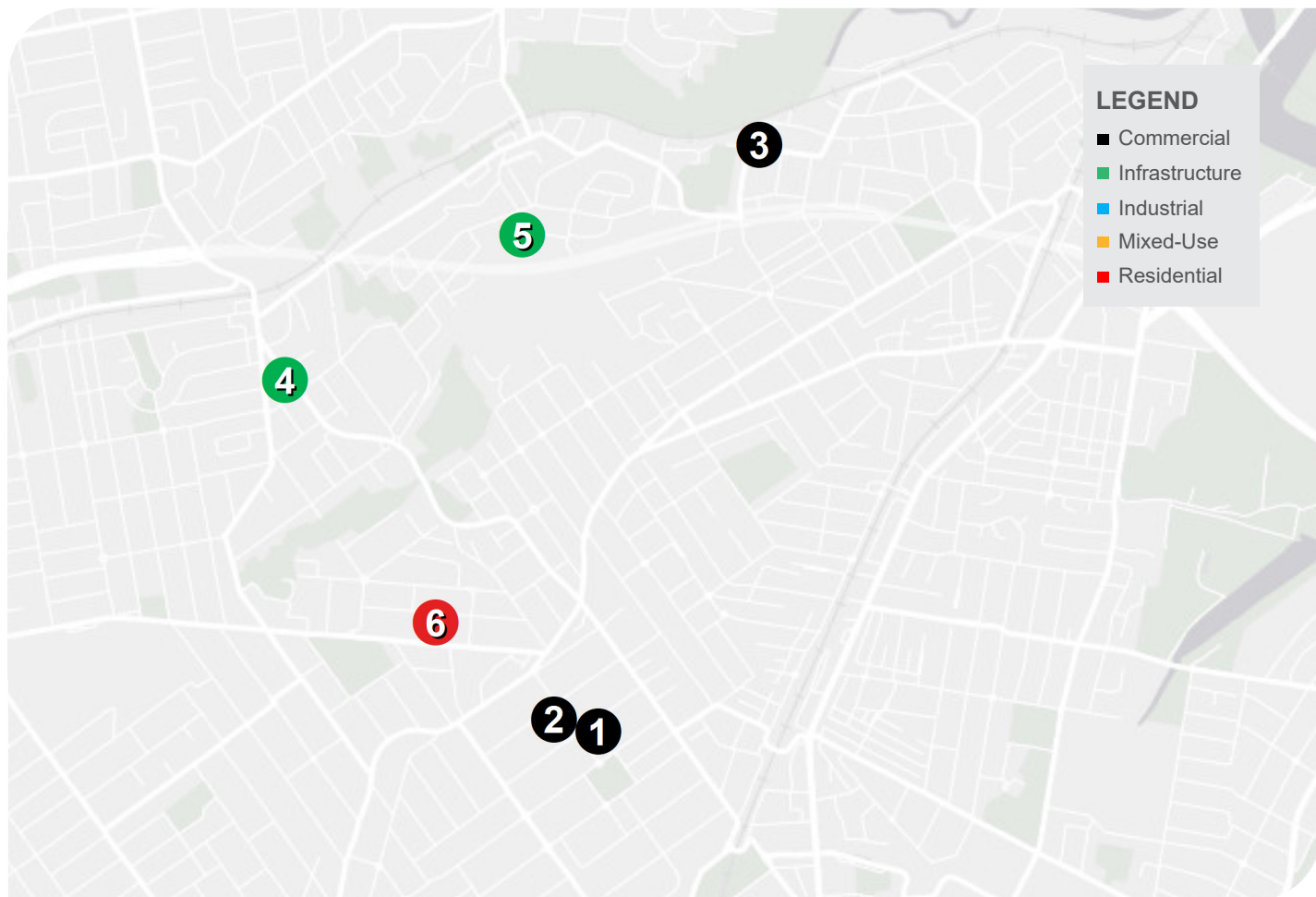
## RENTAL VACANCY RATES 2020



## RENTAL YIELD 2020\$



# PROJECT DEVELOPMENT MAP 2ND HALF 2020\*



Location	Project <sup>£</sup>	Type	Estimated Value <sup>Ⓜ</sup>	Commence Date <sup>Ⓜ</sup>
1	Gladstone Street Boarding House	Commercial	\$1,706,000	19/12/2020
2	Fairmont Aged Care	Commercial	\$1,483,000	01/10/2020
3	Hannam Street Boarding House	Commercial	\$936,000	10/08/2020
4	New Illawarra & Bexley Roads Apartments (24 Apartments)	Infrastructure	\$7,607,000	13/09/2020
5	Coolibah Reserve	Infrastructure	\$1,430,000	03/10/2020
6	Abercorn St Dwellings (7 Dwellings)	Residential	\$5,243,000	09/10/2020

## 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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# REFERENCES

\* Bexley North market data and key indicators encapsulates aggregate property market conditions within the suburbs of Bexley North, Bexley, Bardwell Park, Bardwell Valley.

\*\* 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.

¥ Bexley North market data encapsulates aggregate property conditions within the postcode of 2207.

§ 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 suburbs of Bexley North, Bexley, Bardwell Park, Bardwell Valley.

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.

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