



# Kingsgrove Market Update 2nd Half 2020



## OVERVIEW

In Q3 2020, Kingsgrove\* recorded a median house price of \$1,150,000, and a median unit price of \$609,500. This represents annual (Q3 2019 – Q3 2020) median price growth of 0.4% for houses and a minor price softening of -1.7% for units. Between Q3 2019 – Q3 2020 sales slowed, by -8.3% for houses (to 122 sales) and by -6.7% for units (to 70 sales). Median prices have shown relative stability in spite of COVID-19 conditions, and a slowdown in market activity. This creates a good opportunity to transact property in Kingsgrove\*.

	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



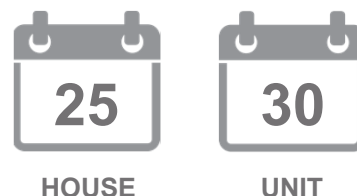
### SALES AVERAGE DAYS ON MARKET Q3 2020



### RENTAL MEDIAN PRICE Q3 2020

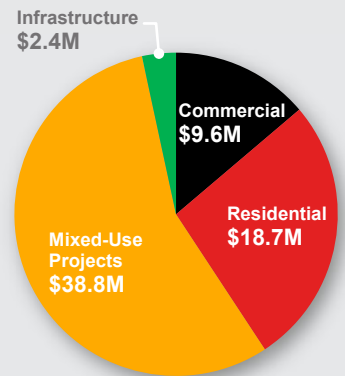


### RENTAL AVERAGE DAYS ON MARKET Q3 2020



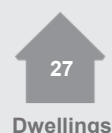
## FUTURE DEVELOPMENTS

Kingsgrove\* is set to see approx. **\$69.4M** worth of new projects commence in the 2nd half of 2020.



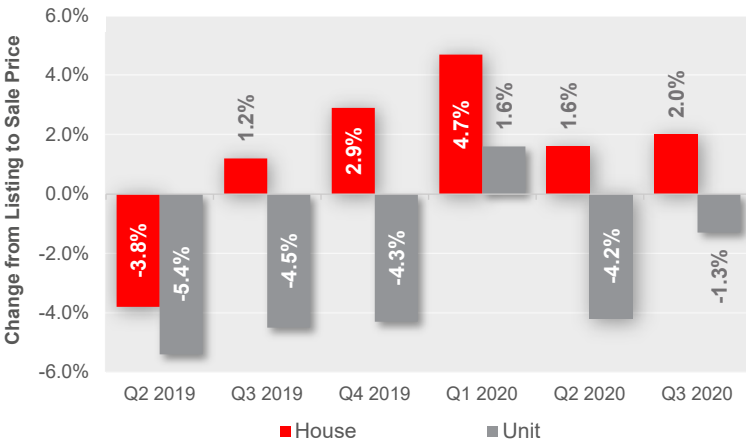
A focus on mixed-use projects is key to the area as it will stimulate economic growth by creating new employment opportunities in both pre and post construction phase, whilst also adding new housing stock. Commercial and infrastructure projects will also create new jobs in Kingsgrove\*, which should have a positive spill-over impact on the real estate market.

A main commercial project over the 2nd half of 2020 is the \$5.0M Beverly Hills Hotel refurbishment, which will upgrade various gaming and dining facilities. Infrastructure projects such as \$1.0M Edgbaston Road-Melvin Street Roundabout will provide improved access to safer roads for locals. A key mixed-use project is Canterbury Road Mixed-Use Development (\$30.9M, 98 Units) and a key residential project is Stoddart Street Dwellings (\$4.7M, 17 dwellings).



# 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.

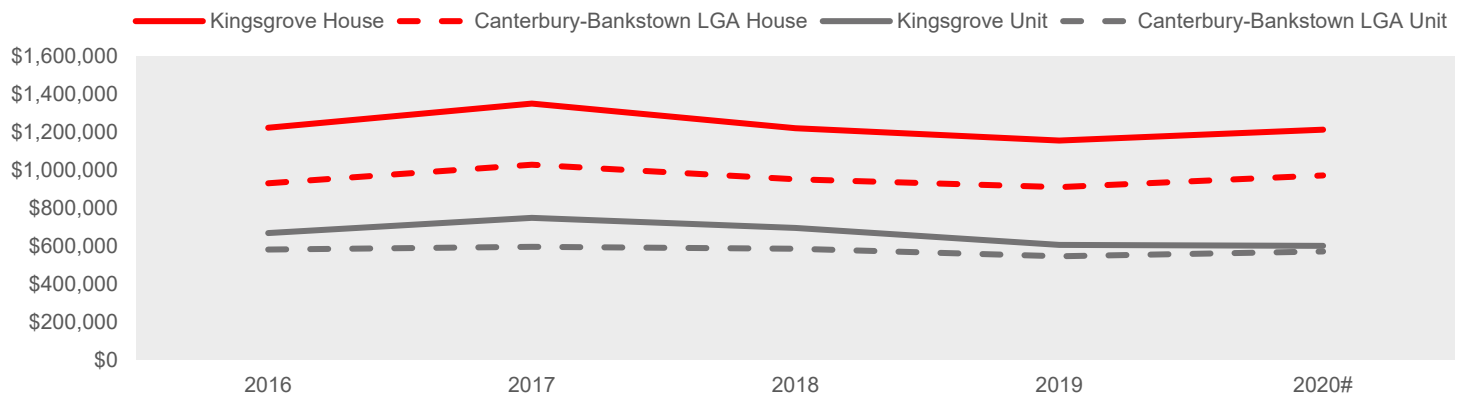


Average vendor discounts between Q3 2019 and Q3 2020 have further increased in premium for houses, to 2.0%, and tightened to -1.3% for units. Kingsgrove\* market conditions have now shifted to further favour sellers, where buyers either have to offer higher than the first list price (house) or closer to it (units).

The suburb of Kingsgrove has historically outperformed the wider Canterbury-Bankstown Local Government Area (LGA) in both house and unit median prices. This said, 2020# has seen a return to parity for unit prices in Kingsgrove with the wider LGA.

The dominant proportion of homes sold in Kingsgrove\* across 2020^ were in the premium price bracket of \$1,300,000 and above (35.0%), while units recorded a dominant middle-range price bracket of \$600,000 - \$700,000 (38.5%). This reveals that there is a range of price points in the market, in good news for buyers.

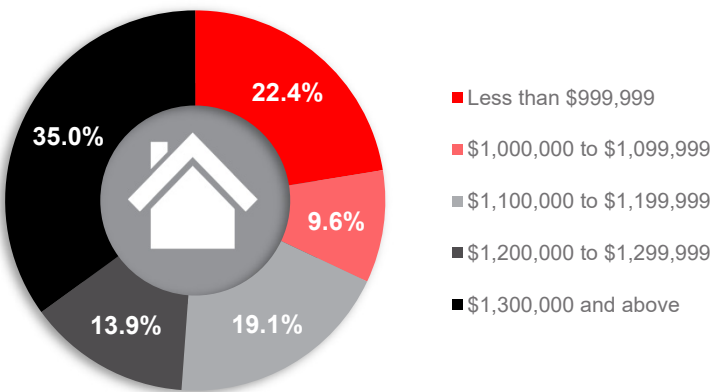
## MARKET COMPARISON



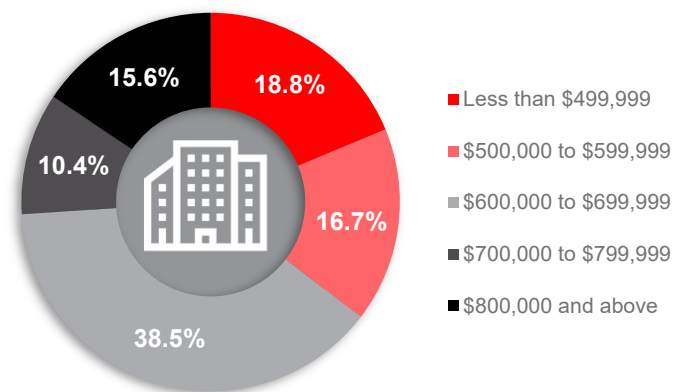
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on its proximity to the main suburb analysed, which is Kingsgrove.

## PRICE BREAKDOWN 2020^

### HOUSES SOLD



### UNITS SOLD

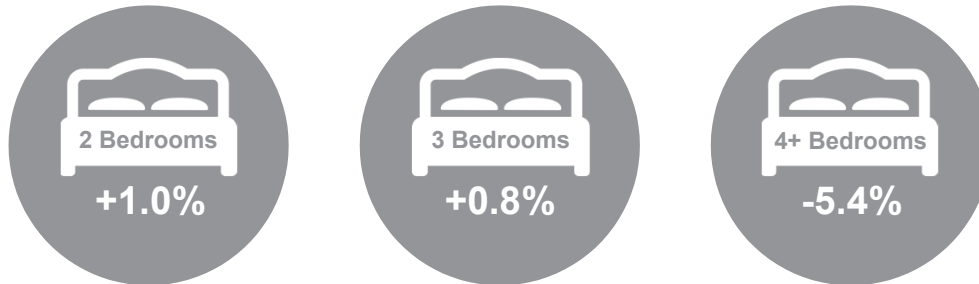


## RENTAL GROWTH 2020€

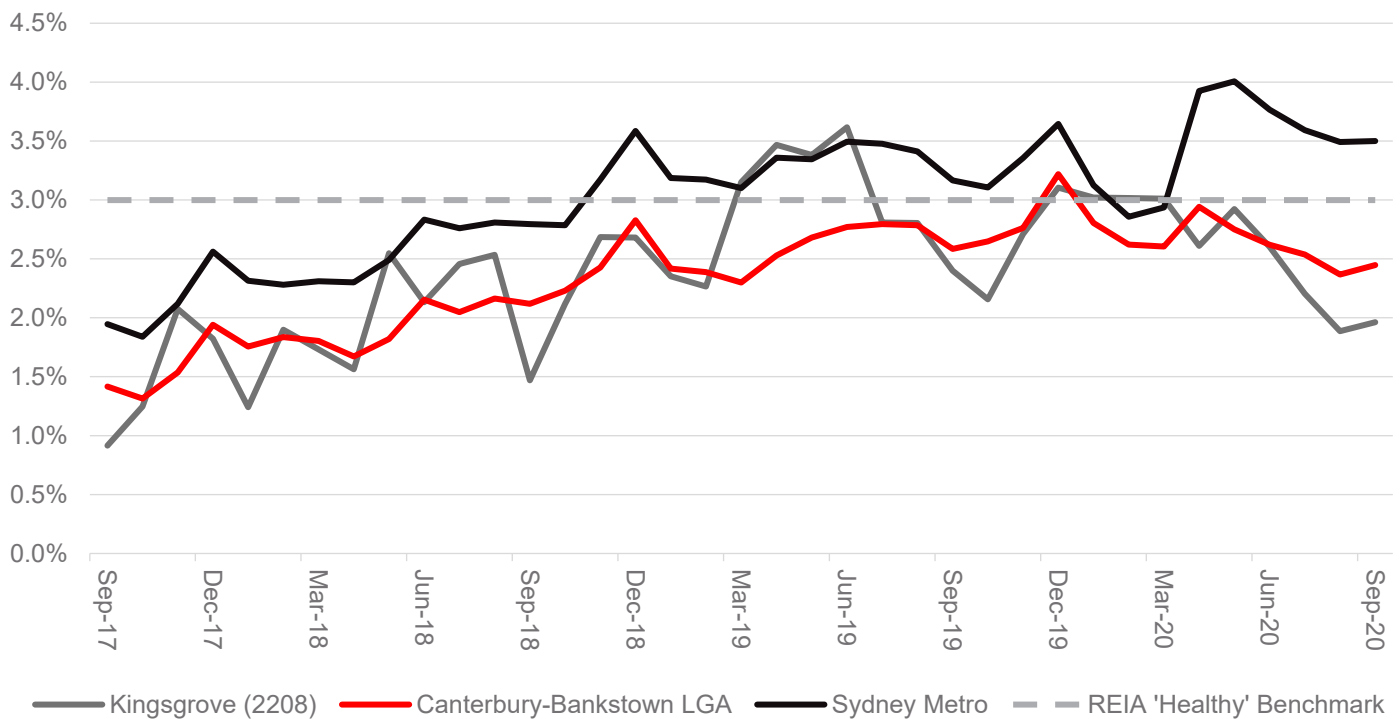
In September 2020, house rental yields in Kingsgrove\* were recorded at 2.0%. In the 12 months to Q3 2020, the median house rental price increased to \$620 per week, while average days on the market declined by -13.8% (to 25 days). Overall this suggests Kingsgrove\* has remained a resilient rental market throughout COVID-19.

2 bedroom houses have provided investors with +1.0% rental growth annually, with a median rent of \$505 per week.

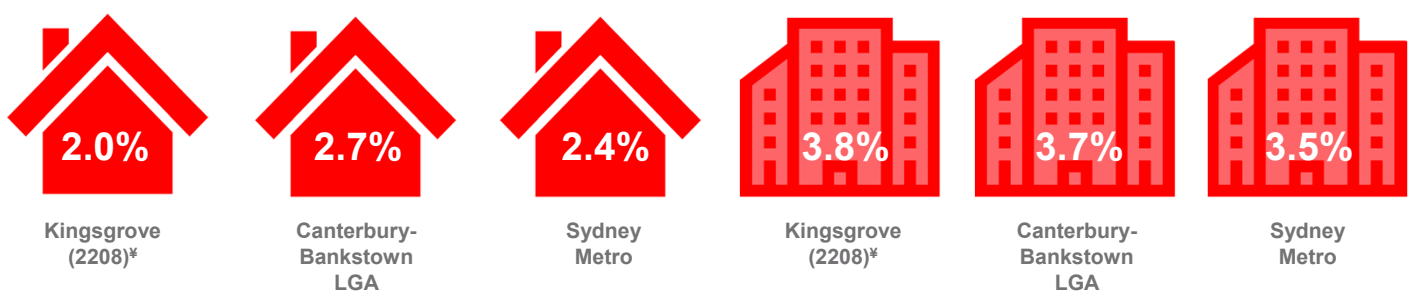
Also in September 2020, Kingsgrove\* recorded a vacancy rate of 2.0%; below that of Canterbury-Bankstown LGA (2.4%) and well below Sydney Metro (3.5%). Vacancy rates in Kingsgrove\* also remain well below the Real Estate Institute of Australia's healthy benchmark of 3.0%, and have travelled on a declining trend even amidst COVID-19 conditions. This confirms there is a healthy ongoing rental demand in Kingsgrove\*, benefiting investors.



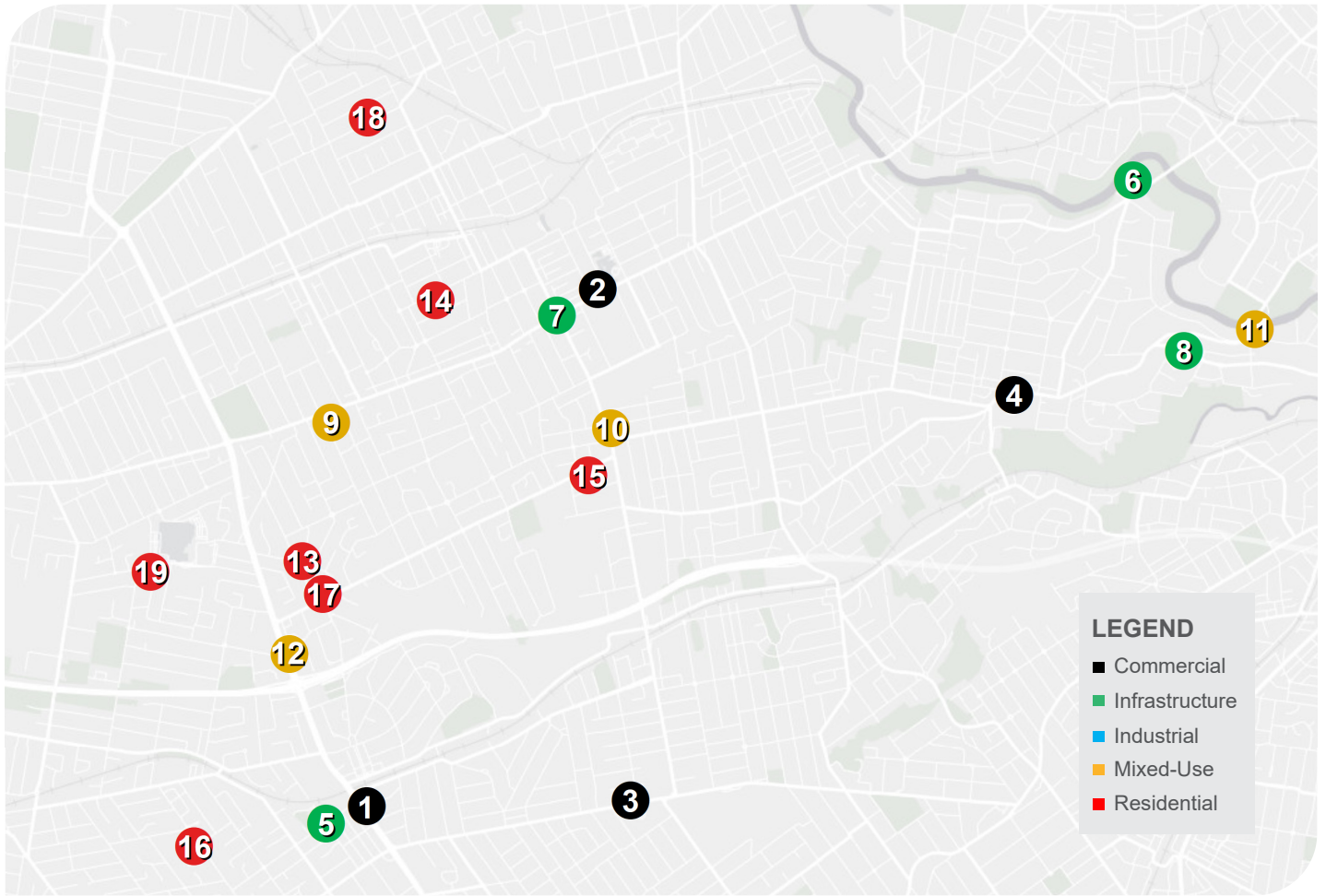
## RENTAL VACANCY RATES 2020



## RENTAL YIELD 2020\$



# PROJECT DEVELOPMENT MAP 2ND HALF 2020\*



Location	Project <sup>£</sup>	Type	Estimated Value <sup>Ⓜ</sup>	Commence Date <sup>Ⓜ</sup>
1	Beverly Hills Hotel	Commercial	\$5,000,000	11/07/2020
2	Canterbury Road Boarding House	Commercial	\$3,922,000	16/11/2020
3	LAHC Kingsgrove	Commercial	\$350,000	06/11/2020
4	Earlwood Pizza Shop - Fire Damage	Commercial	\$300,000	08/07/2020
5	Edgbaston Road- Melvin Street Roundabout	Infrastructure	\$1,000,000	28/12/2020
6	Lang Road Pedestrian Bridge	Infrastructure	\$700,000	17/07/2020
7	Kingsgrove Road Roadworks & Drainage	Infrastructure	\$400,000	06/09/2020
8	Waterworth Park Velodrome	Infrastructure	\$250,000	23/09/2020
9	Canterbury Road Mixed Use Development (98 Units)	Mixed-Use	\$30,950,000	27/11/2020
10	Kingsgrove Rd Mixed Development (15 Units)	Mixed-Use	\$4,117,000	28/09/2020
11	Homer Street Mixed Use Building (9 Units)	Mixed-Use	\$3,098,000	07/12/2020
12	King Georges Road Mixed Use Development (1 Unit)	Mixed-Use	\$600,000	04/10/2020
13	Stoddart Street Dwellings (17 Dwellings)	Residential	\$4,652,000	15/09/2020
14	Leylands Parade Units (14 Units)	Residential	\$2,900,000	23/07/2020
15	Moorefields Road Townhouses (8 Townhouses)	Residential	\$2,820,000	27/11/2020
16	Mountview Avenue Dwellings (6 Dwellings)	Residential	\$2,424,000	05/07/2020
17	Moorefields Road Townhouses (8 Townhouses)	Residential	\$2,310,000	10/12/2020
18	Yangoora Road Dwellings (4 Dwellings)	Residential	\$1,817,000	31/07/2020
19	Martin Street Townhouses (5 Townhouses)	Residential	\$1,783,000	21/12/2020

## 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

\* Kingsgrove market data and key indicators encapsulates aggregate property market conditions within the suburbs of Kingsgrove, Roselands, Earlwood, Beverly Hills, Belmore, Clemton Park.

\*\* 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.

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€ 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.

¥ Kingsgrove market data encapsulates aggregate property conditions within the postcode of 2208.

§ 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 Kingsgrove, Roselands, Earlwood, Beverly Hills, Belmore, Clemton Park.

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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