

# Oatley Market Update 2nd Half 2020



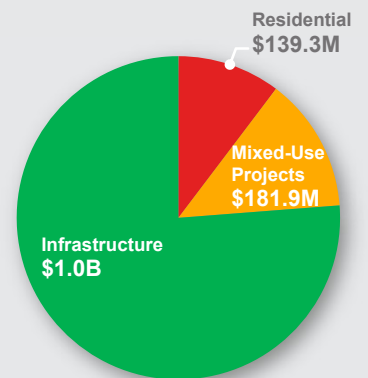
## OVERVIEW

In Q3 2020, Oatley\* recorded a median house price of \$1,303,000, and a median unit price of \$654,250. This represents annual (Q3 2019 – Q3 2020) median price growth of 4.2% for houses and of 10.0% for units. Between Q3 2019 – Q3 2020 total sales softened, down by -22.6% for houses (to 72 sales) and by -7.4% for units (to 63 sales), potentially due to low stock in the market. Median price growth suggest market resilience, in contrast to general COVID-19 predictions. With limited competing stock in the market and prices rising, now is the time to sell in Oatley\*.

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

## FUTURE DEVELOPMENTS

Oatley\* is set to see approximately **\$1.4B** worth of new projects commence in the 2nd half of 2020.



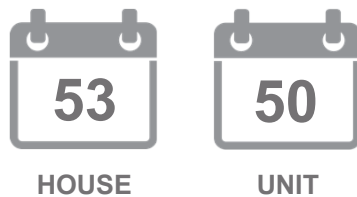
A focus on infrastructure projects will improve liveability aspects for residents and create new jobs during the construction phase, which will have a positive spill-over impact on the local real estate market.

## MARKET CONDITIONS

### SALES MEDIAN PRICE Q3 2020



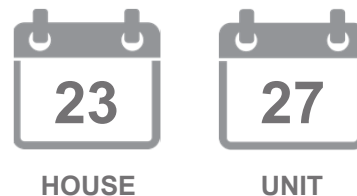
### SALES AVERAGE DAYS ON MARKET Q3 2020



### RENTAL MEDIAN PRICE Q3 2020



### RENTAL AVERAGE DAYS ON MARKET Q3 2020



A main infrastructure project over the 2nd half of 2020 is the \$1.0B M6 Extension Stage 1, which will create twin 4km tunnels to link the new M5 at Arncliffe to President Avenue in Kogarah. This improves accessibility to the area, in good news for residents. Mixed-use projects such as Stellar Hurstville (\$37.5M, 106 units) will create both new housing stock as well as new commercial tenancies, stimulating the local job market. Examples of residential projects include: Regent St Apartments – Kogarah Grand (\$38.2M, 127 apartments), Bunyala St Units (\$22.8M, 49 units), and Forest Rd Units – The Postmark (\$17.3M, 72 units).

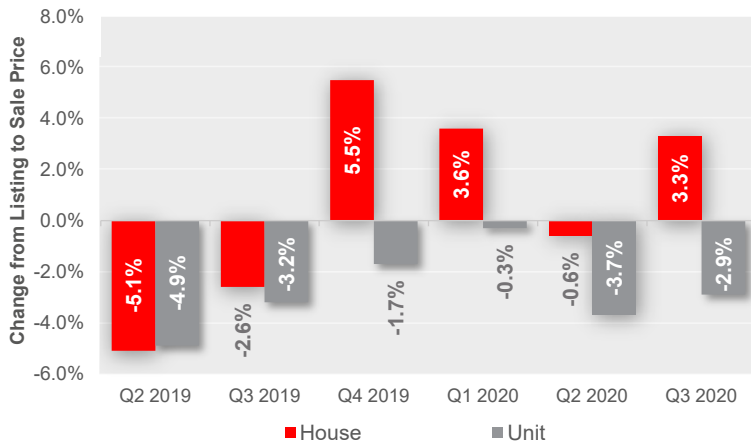


936 Units/  
Apartments

# 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.

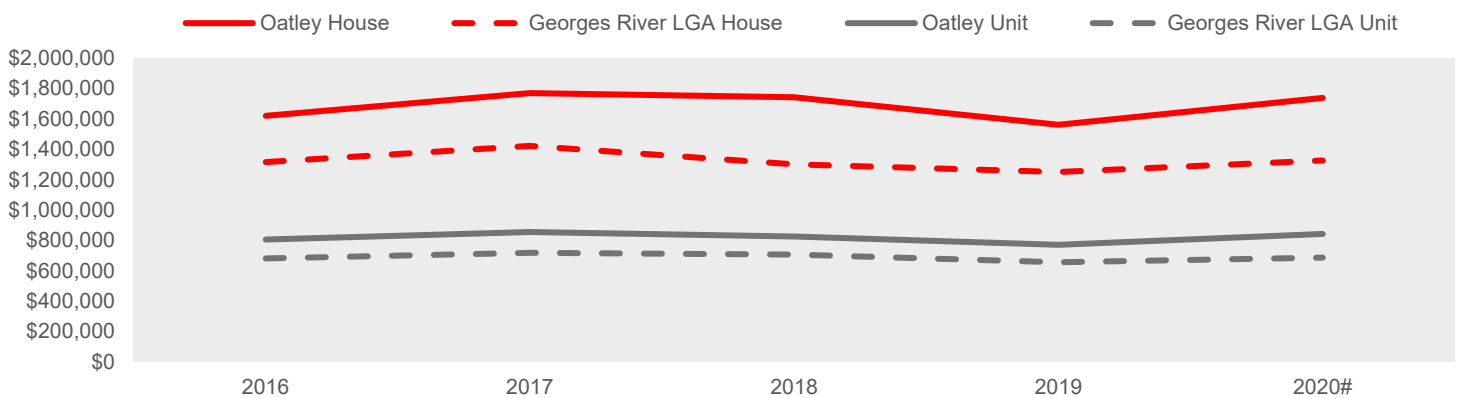
Average vendor discounts between Q3 2019 and Q3 2020 have swung to a premium of 3.3% for houses and tightened to -2.9% for units. House market conditions in Oatley\* have now shifted to favour vendors, as buyers are willing to offer able the initial listing price. This makes now the time to sell.



The suburb of Oatley has historically outperformed the wider Georges River 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 Oatley\* across 2020^ were in the middle-range price bracket of \$1,200,000-\$1,400,000 (28.0%), while units recorded a dominant lower-middle range price point of \$550,000-\$650,000 (34.2%). This reveals that there is a range of price points accessible in the market, in good news for buyers of all budget sizes.

## MARKET COMPARISON

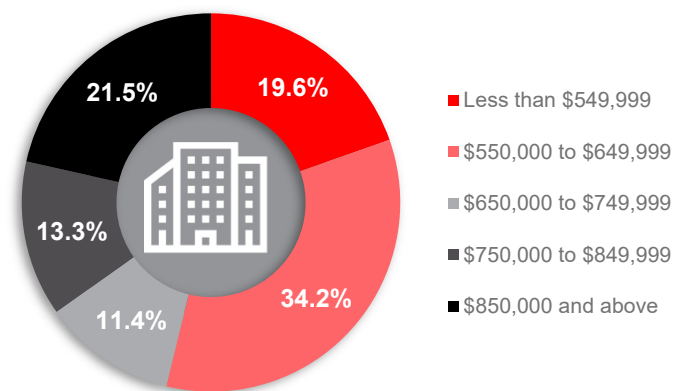
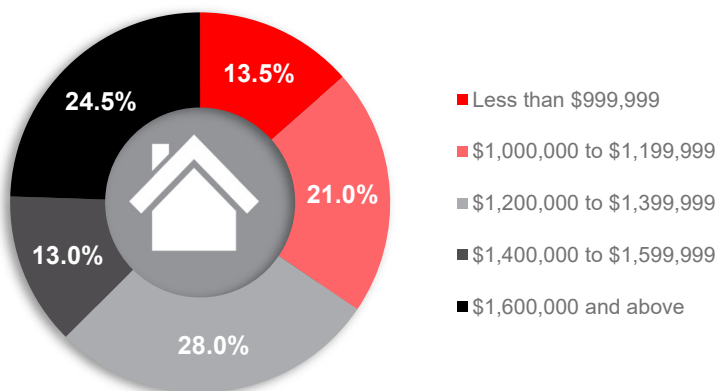


The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on its proximity to the main suburb analysed, which is Oatley.

## PRICE BREAKDOWN 2020^

### HOUSES SOLD

### UNITS SOLD



## RENTAL GROWTH 2020€

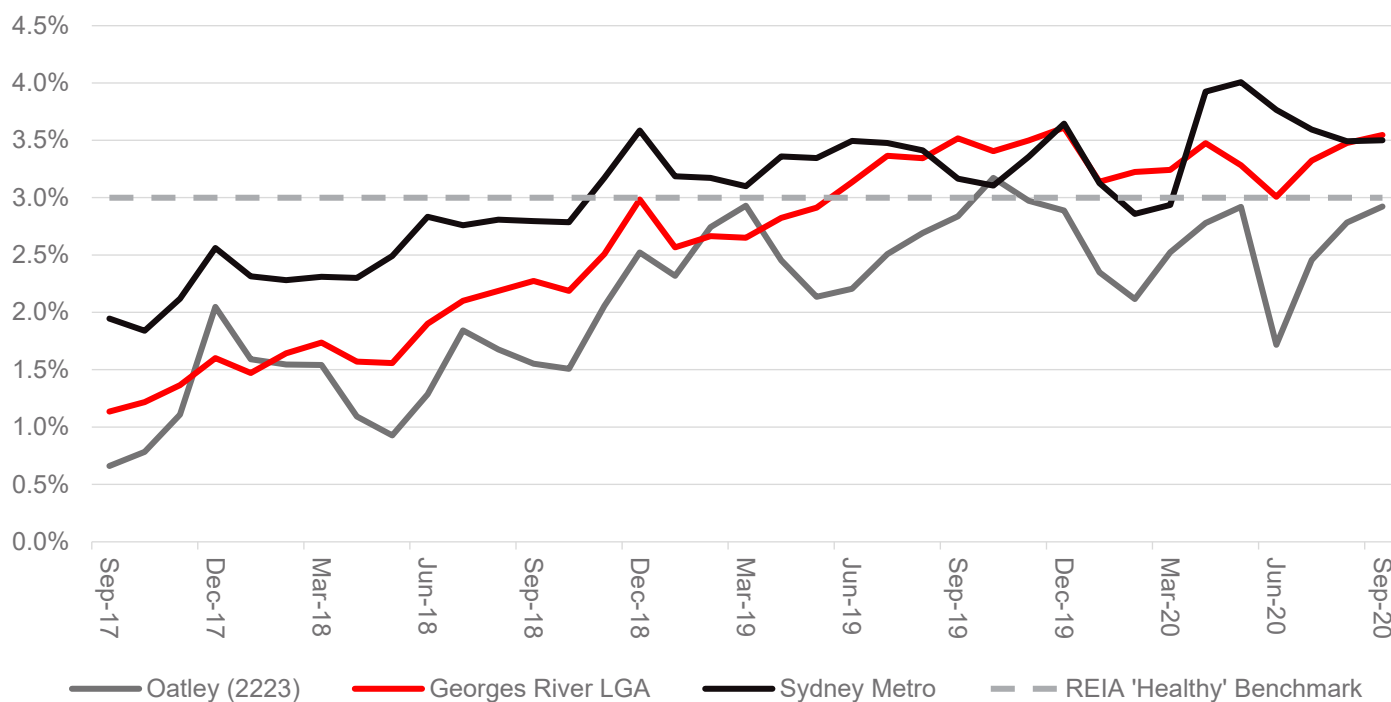
In September 2020, house rental yields in Oatley\* were recorded at 4.7%. In the 12 months to Q3 2020, the median house rental price has increased to \$585 per week, while average days on the market declined by -20.7% (to 23 days). Overall this represents a resilient rental market throughout COVID-19.

4+ bedroom houses have provided investors with +12.0% rental growth annually, with a median rent of \$840 per week.

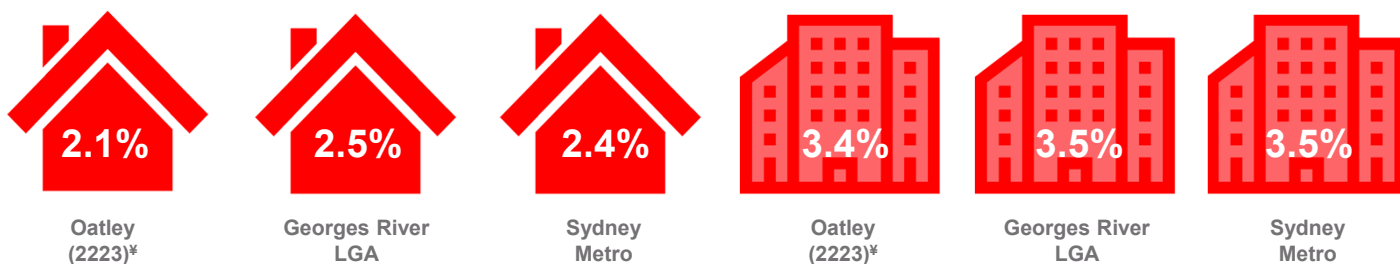
Also in September 2020, Oatley\* recorded a vacancy rate of 2.9%, below that of Georges River LGA and Sydney Metro (both 3.5%). Vacancy rates in Oatley\* also sit below the Real Estate Institute of Australia's healthy benchmark of 3.0%, even amidst COVID-19 conditions. This confirms there is still a healthy rental demand, meaning that investors can be confident of a conducive investment environment in Oatley\*.



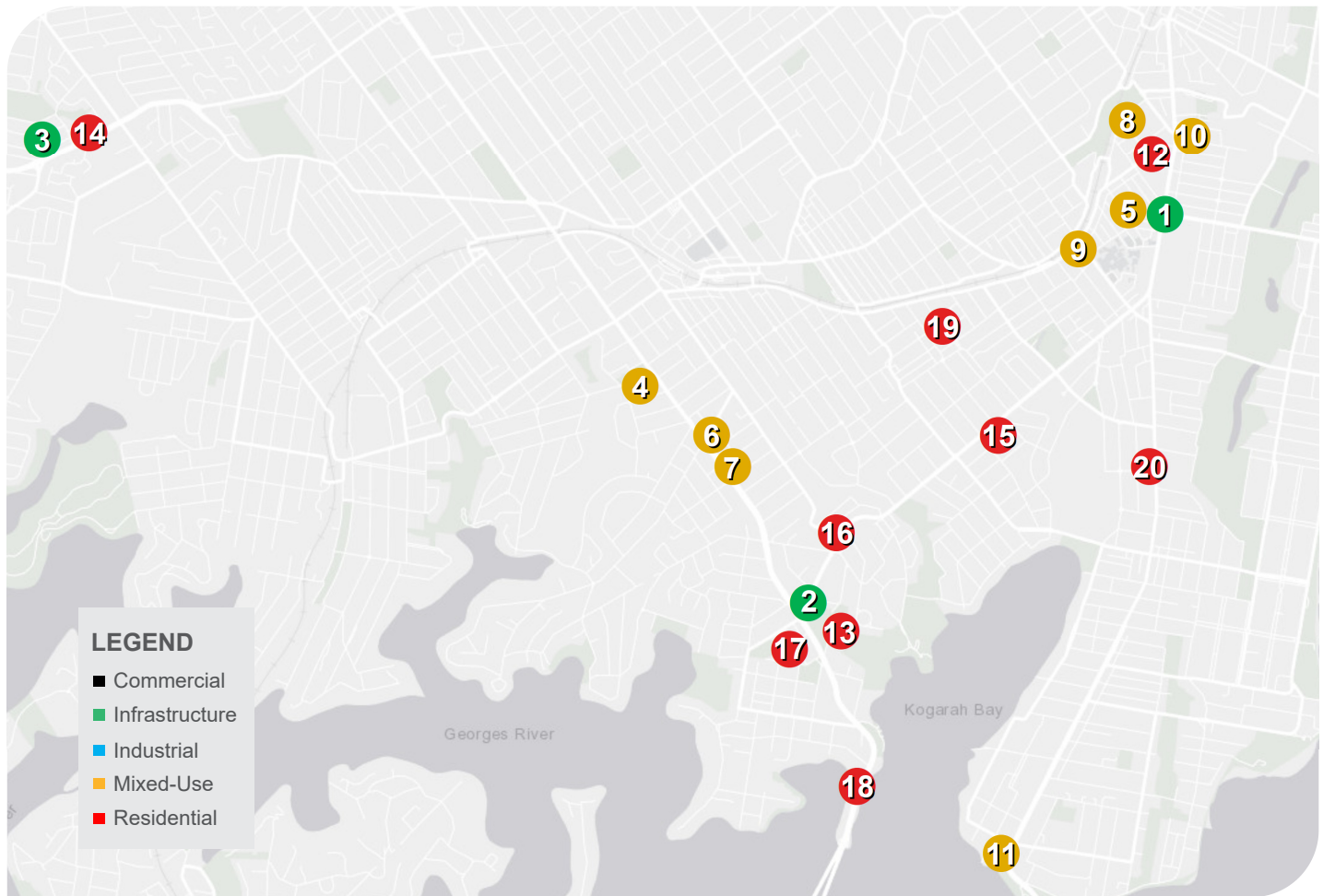
## RENTAL VACANCY RATES 2020



## RENTAL YIELD 2020\$



# PROJECT DEVELOPMENT MAP 2ND HALF 2020\*



Location	Project <sup>£</sup>	Type	Estimated Value <sup>µ</sup>	Commence Date <sup>ψ</sup>
1	M6 Extension Stage 1	Infrastructure	\$1,000,000,000	20/12/2020
2	Princes Highway Roadworks	Infrastructure	\$19,856,000	19/10/2020
3	LAHC Peakhurst	Infrastructure	\$10,000,000	14/10/2020
4	Stellar Hurstville (106 Units)	Mixed-Use	\$37,472,000	04/12/2020
5	Montgomery Street Mixed Use Building (61 Apartments)	Mixed-Use	\$30,268,000	19/07/2020
6	Connells Point Road & Allen Street Mixed Use Development (64 Units)	Mixed-Use	\$22,732,000	05/08/2020
7	King Georges Road Mixed Use Development (57 Units)	Mixed-Use	\$20,405,000	30/09/2020
8	The Palms Kogarah (51 Apartments)	Mixed-Use	\$19,780,000	18/08/2020
9	Railway Parade Mixed Use Development (52 Apartments)	Mixed-Use	\$18,300,000	09/10/2020
10	Princes Highway Mixed Use Development (52 Apartments)	Mixed-Use	\$16,709,000	16/11/2020
11	Rocky Point Road Mixed Use Development (38 Apartments)	Mixed-Use	\$16,216,000	01/12/2020
12	Regent Street Apartments - Kogarah Grand (127 Apartments)	Residential	\$38,200,000	14/11/2020
13	Bunyala Street Units (49 Units)	Residential	\$22,802,000	12/09/2020
14	Forest Road Units - The Postmark (72 Units)	Residential	\$17,384,000	07/12/2020
15	Wyuna Street Units (64 Units)	Residential	\$16,421,000	19/12/2020
16	Princes Highway Units (43 Units)	Residential	\$12,990,000	18/11/2020
17	Vaughan Street Units (37 Units)	Residential	\$10,049,000	16/12/2020
18	Princes Highway Apartments (21 Apartments)	Residential	\$9,842,000	23/09/2020
19	Bembridge Street Apartments (23 Apartments)	Residential	\$5,795,000	30/12/2020
20	Rocky Point Road Apartments (19 Apartments)	Residential	\$5,792,000	07/12/2020

## 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

\* Oatley market data and key indicators encapsulates aggregate property market conditions within the suburbs of Mortdale, Oatley, Hurstville Grove, Penshurst, Lugarno, Peakhurst Heights.

\*\* 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.

¥ Oatley market data encapsulates aggregate property conditions within the postcode of 2223.

§ 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 Mortdale, Oatley, Hurstville Grove, Penshurst, Lugarno, Peakhurst Heights.

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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