



Kogarah Market Update 2nd Half 2020



OVERVIEW

In Q3 2020, Kogarah* recorded a median house price of \$1,225,000, and a median unit price of \$675,000. This represents annual (Q3 2019 – Q3 2020) median price growth of 6.3% for houses and of 9.3% for units. Between Q3 2019 – Q3 2020 sales activity slowed, by -1.3% for houses (to 75 sales) and by -10.2% for units (to 150 sales). A slowdown in activity is potentially due to low stock and/or COVID-19 restrictions. Positive growth in median property prices suggest a highly resilient market in Kogarah*. With median prices increasing and limited competition on the market, now is the time to sell.

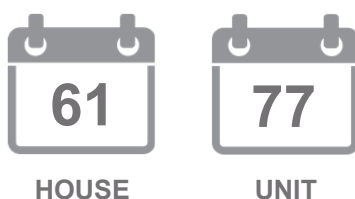
	CHANGE FROM LAST	YEAR	HALF YEAR
			
House Sales		↓	↑
House Median Price		↑	↓
House Rental Price		↑	↑
			
Unit Sales		↓	↓
Unit Median Price		↑	↑
Unit Rental Price		↓	↓

MARKET CONDITIONS

SALES MEDIAN PRICE Q3 2020



SALES AVERAGE DAYS ON MARKET Q3 2020



RENTAL MEDIAN PRICE Q3 2020

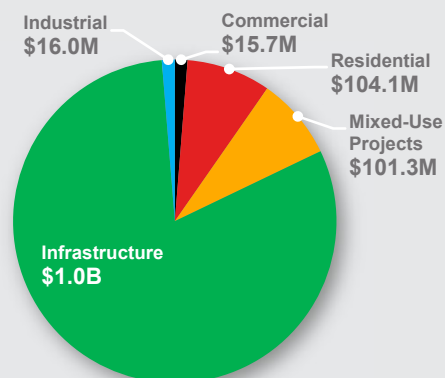


RENTAL AVERAGE DAYS ON MARKET Q3 2020



FUTURE DEVELOPMENTS

Kogarah* is set to see approximately **\$1.2B** worth of new projects commence in the 2nd half of 2020.



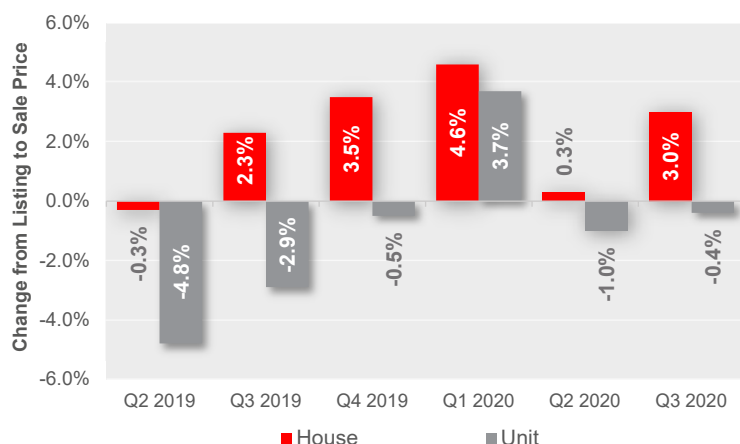
These projects will stimulate economic growth and create large employment opportunities while upgrading amenities in Kogarah*, which will positively impact the property market.

A main commercial project over the 2nd half of 2020 is the \$4.5M Aldi Carlton Fitout, which involves the fit-out of the new Aldi supermarket. The \$1.0B M6 Extension Stage 1 infrastructure project will create great improvements to the area's accessibility and amenity, making it easier for residents to travel. Mixed-use projects such as the \$30.3M Montgomery Street Mixed Use Building will create 61 apartments over 13 levels and ground floor retail, which will help provide the area with a greater diversity of housing stock while also creating local employment. Key residential projects include: Regent St Apartments – Kogarah Grand (\$38.2M, 127 apartments), and Stanley St Residential Site (\$25.0M, 100 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.

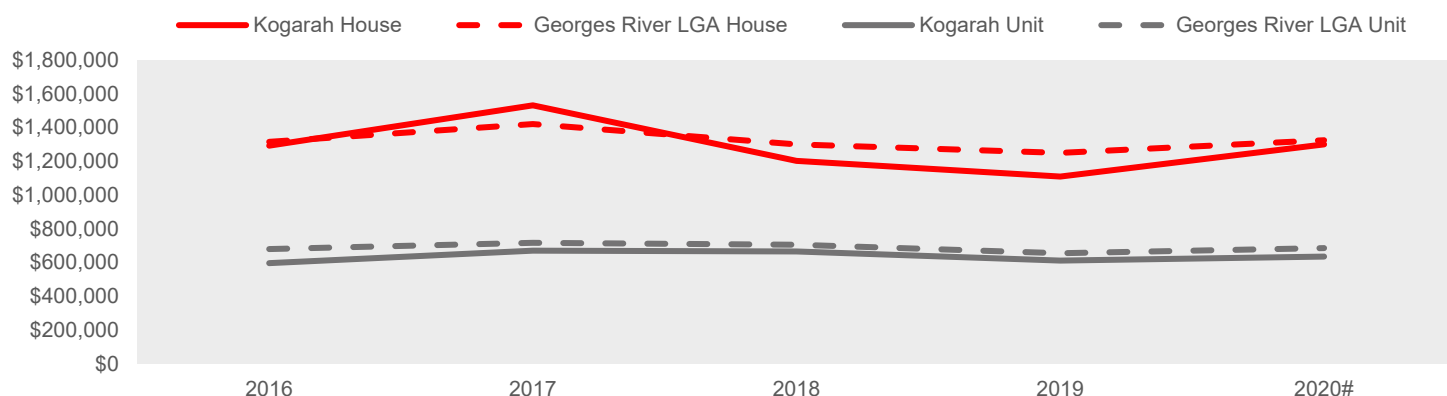


Average vendor discounts between Q3 2019 and Q3 2020 have swung higher for houses, to a premium of 3.0%, and have tightened to -0.4% for units. House market conditions in Kogarah* have now shifted to favour sellers, as buyers are willing to offer above the initial listing price. Now is the time to sell.

The suburb of Kogarah has historically offered greater affordability than the wider Georges River Local Government Area (LGA) in both house and unit median prices. This continues to be the case in 2020[#], though house prices are now much closer than in recent years.

The dominant proportion of homes sold in Kogarah* across 2020[^] were in the middle-range price bracket of \$1,200,000-\$1,400,000 (26.6%), while units recorded a dominant premium price bracket of above \$700,000 (36.1%). While Kogarah* shows a more premium unit market, affordable options remain available.

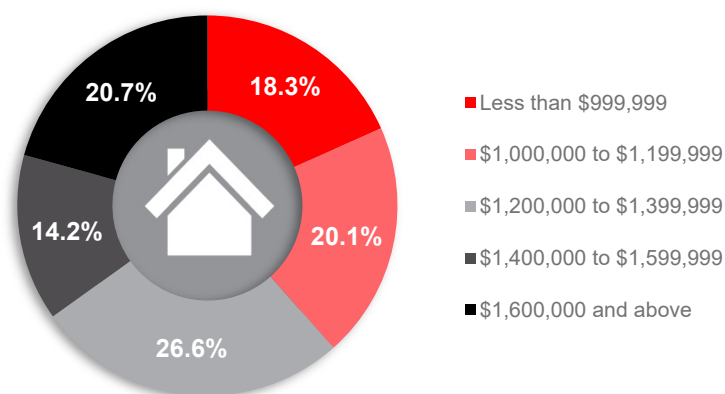
MARKET COMPARISON



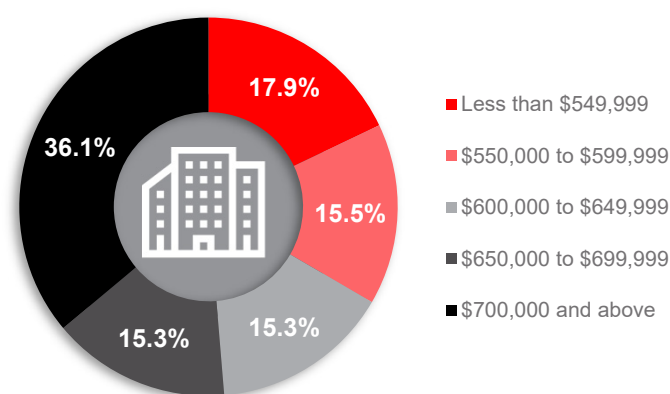
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on its proximity to the main suburb analysed, which is Kogarah.

PRICE BREAKDOWN 2020[^]

HOUSES SOLD



UNITS SOLD



RENTAL GROWTH 2020€

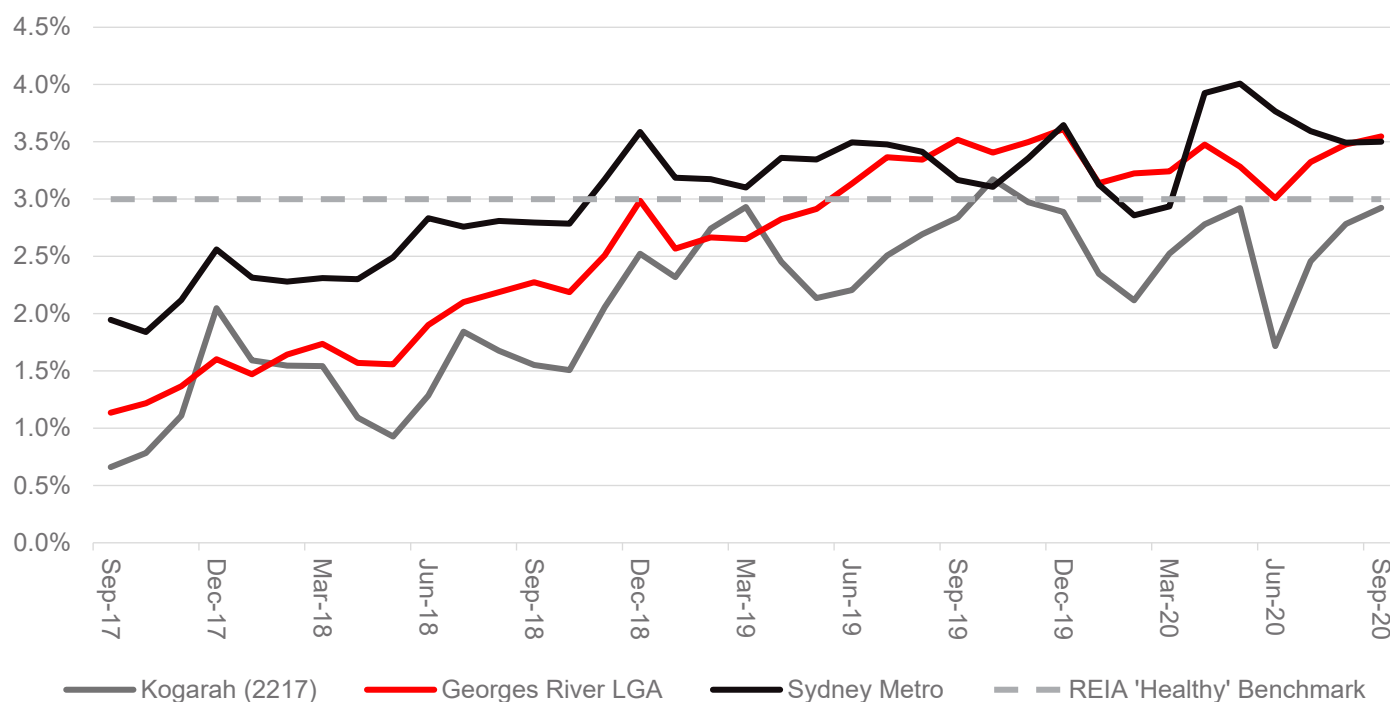
In September 2020, house rental yields in Kogarah* were recorded at 2.1%. In the 12 months to Q3 2020, the median house rental price increased slightly to \$600 per week, while average days on the market declined by -27.3% (to 24 days). Overall this suggests Kogarah has remained a resilient rental market throughout COVID-19.

3 bedroom houses have provided investors with stable returns annually, achieving a median rent of \$600 per week.

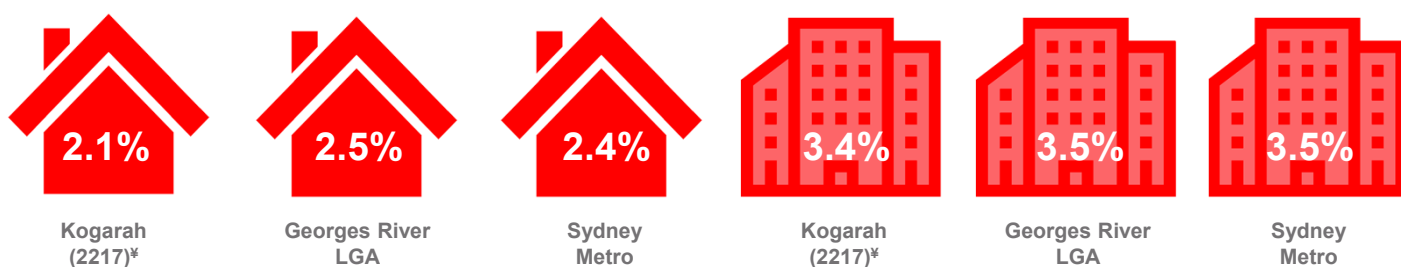
Also in September 2020, Kogarah* recorded a vacancy rate of 2.9%, below that of Georges River LGA and Sydney Metro (both 3.5%). Vacancy rates in Kogarah* also remain below the Real Estate Institute of Australia's healthy benchmark of 3.0%, even amidst COVID-19 conditions. This indicates there is a healthy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



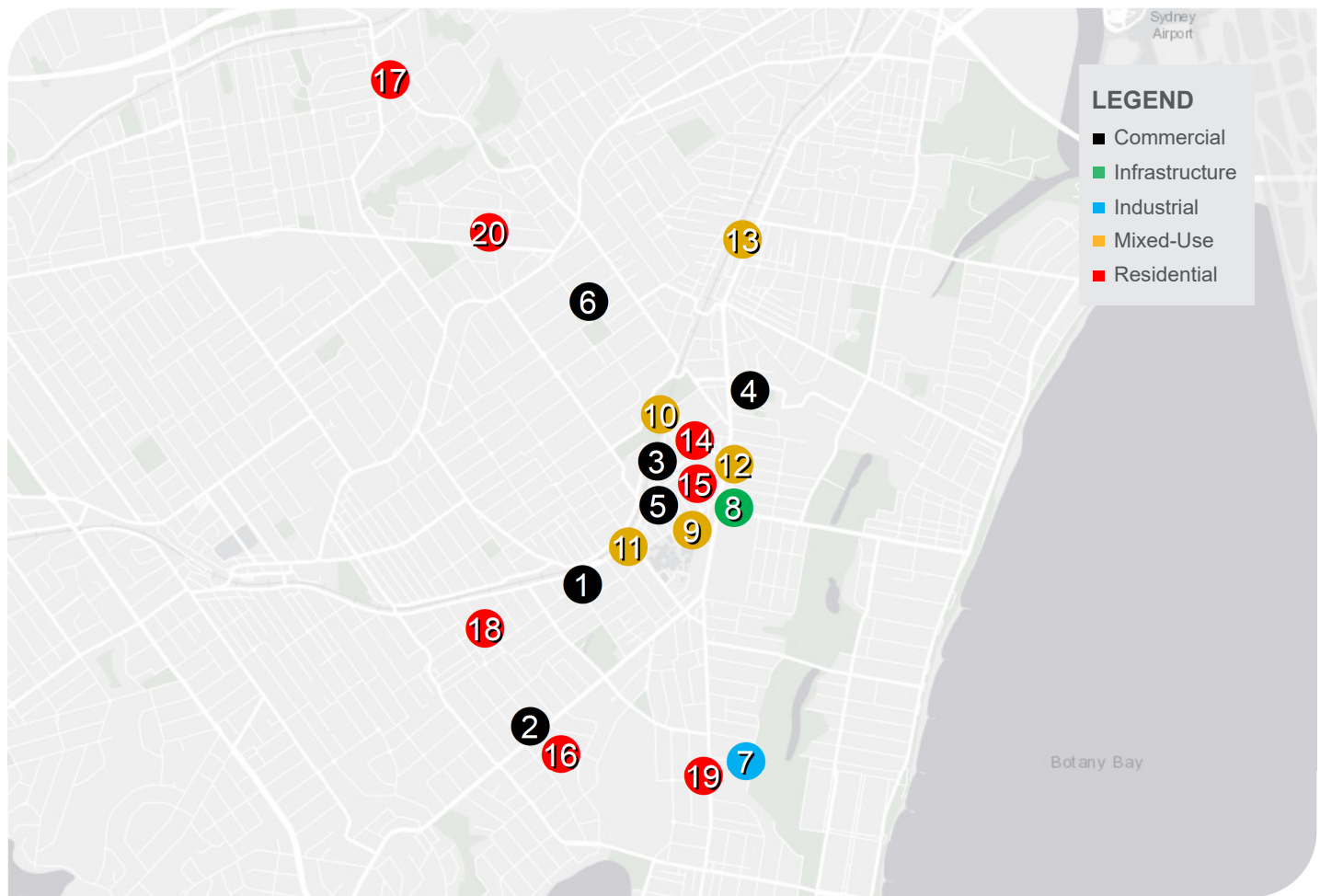
RENTAL VACANCY RATES 2020



RENTAL YIELD 2020\$



PROJECT DEVELOPMENT MAP 2ND HALF 2020*



Location	Project [£]	Type	Estimated Value [¥]	Commence Date [Ⓜ]
1	English Street Boarding House	Commercial	\$5,045,000	14/12/2020
2	Aldi Carlton Fitout	Commercial	\$4,500,000	06/11/2020
3	Regent Street Mixed Use Development	Commercial	\$3,271,000	11/07/2020
4	Woolworths Rockdale	Commercial	\$2,500,000	07/12/2020
5	Kogarah Community Dental Clinic	Commercial	\$1,914,000	07/09/2020
6	Gladstone Street Boarding House	Commercial	\$1,706,000	19/12/2020
7	Production Avenue Industrial Development	Industrial	\$15,992,000	08/12/2020
8	F6 Extension Stage 1	Infrastructure	\$1,000,000,000	20/12/2020
9	Montgomery Street Mixed Use Building (61 Apartments)	Mixed-Use	\$30,268,000	19/07/2020
10	The Palms Kogarah (51 Apartments)	Mixed-Use	\$19,780,000	18/08/2020
11	Railway Parade Mixed Use Development (52 Apartments)	Mixed-Use	\$18,300,000	09/10/2020
12	Princes Highway Mixed Use Development (52 Apartments)	Mixed-Use	\$16,709,000	16/11/2020
13	Waines Crescent Mixed Use Building (50 Units)	Mixed-Use	\$12,986,000	10/09/2020
14	Regent Street Apartments - Kogarah Grand (127 Apartments)	Residential	\$38,200,000	14/11/2020
15	Stanley Street Residential Site (100 Apartments)	Residential	\$25,000,000	26/10/2020
16	Wyuna Street Units (64 Units)	Residential	\$16,421,000	19/12/2020
17	New Illawarra & Bexley Roads Apartments (24 Apartments)	Residential	\$7,607,000	13/09/2020
18	Bembridge Street Apartments (23 Apartments)	Residential	\$5,795,000	30/12/2020
19	Rocky Point Road Apartments (19 Apartments)	Residential	\$5,792,000	07/12/2020
20	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.



Nick Reskakis, Director

M +61 414 223 372

E nick@prdkogarah.com.au



Jonathan Kollias, Sales Agent

M +61 415 646 663

E jonathan@prdkogarah.com.au

PRD Kogarah

P +61 2 9588 2977

F +61 2 9588 2799

120 Railway Parade
Kogarah NSW 2217

PRD.com.au/kogarah

REFERENCES

* Kogarah market data and key indicators encapsulates aggregate property market conditions within the suburbs of Beverley Park, Bexley, Carlton, Kogarah, Kogarah Bay, Rockdale.

** 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.

¥ Kogarah market data encapsulates aggregate property conditions within the postcode of 2217.

§ 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 Beverley Park, Bexley, Carlton, Kogarah, Kogarah Bay, Rockdale.

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 Pricefinder, Cordell Connect database, SQM Research, ESRI ARCGIS.

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