



Dapto Market Update 2nd Half 2020



OVERVIEW

In Q3 2020, Dapto* recorded a median house price of \$587,500 and a median unit price of \$491,000. This represents annual (Q3 2019 – Q3 2020) median price growth of 4.0% for houses and softening of -7.2% for units. Between Q3 2019 – Q3 2020 total sales in both markets slowed, by -5.3% for houses (to 124 sales) and by -47.6% for units (to 11 sales). This is potentially due to low stock in the market and/or COVID-19 restrictions. That said positive median house price growth during COVID-19 shows market resilience, whereas units have become more affordable for first home buyers.

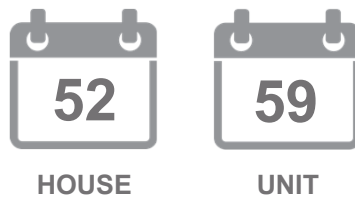
	CHANGE FROM LAST	YEAR	HALF YEAR
	House Sales	↑	↓
	House Median Price	↓	↑
	House Rental Price	↑	↓
	Unit Sales	↓	↓
	Unit Median Price	↓	↓
	Unit Rental Price	↓	↓

MARKET CONDITIONS

SALES MEDIAN PRICE Q3 2020



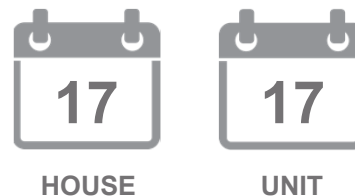
SALES AVERAGE DAYS ON MARKET Q3 2020



RENTAL MEDIAN PRICE Q3 2020

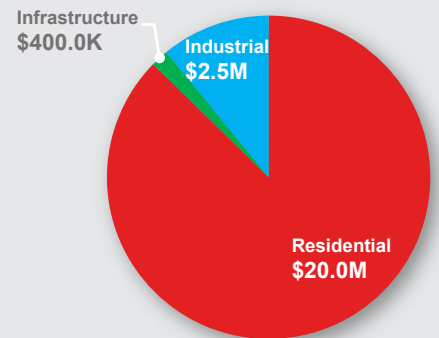


RENTAL AVERAGE DAYS ON MARKET Q3 2020



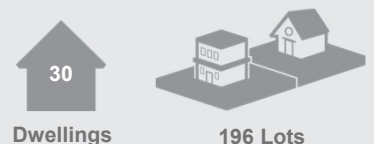
FUTURE DEVELOPMENTS

Dapto* is set to see approximately **\$22.9M** worth of new projects commence in the 2nd half of 2020.



A focus on residential development will create new dwelling stock in Dapto*, as well as more local employment in the construction phase. Combined with industrial projects this should stimulate the local economy, which will have a positive spill-over impact on the real estate market in the near future.

A main residential project over the 2nd half of 2020 is The Vale at Vista Park (\$13.0M), which is set to create 196 lots ranging in size from 450 sqm to 912 sqm. Such projects create new housing options in the area, particularly for first home buyers who can take advantage of Federal and State government grants. Other residential projects include: Lakelands Drive Dwelling – Hamptons (\$3.7M, 15 dwellings) and Gerongar Crescent Dwellings (\$1.7M, 7 dwellings). A key industrial project is the \$2.0M Marshall Street Self Storage Units, which will create 31 self storage units. Infrastructure projects such as the \$400.0K Henry Brooks Estate landscaping works will enhance amenities for residents.



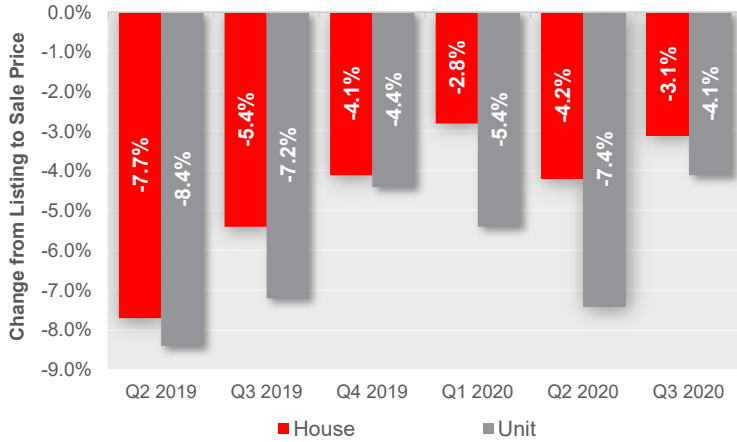
AVERAGE VENDOR DISCOUNT* KEY COMMENTS

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.

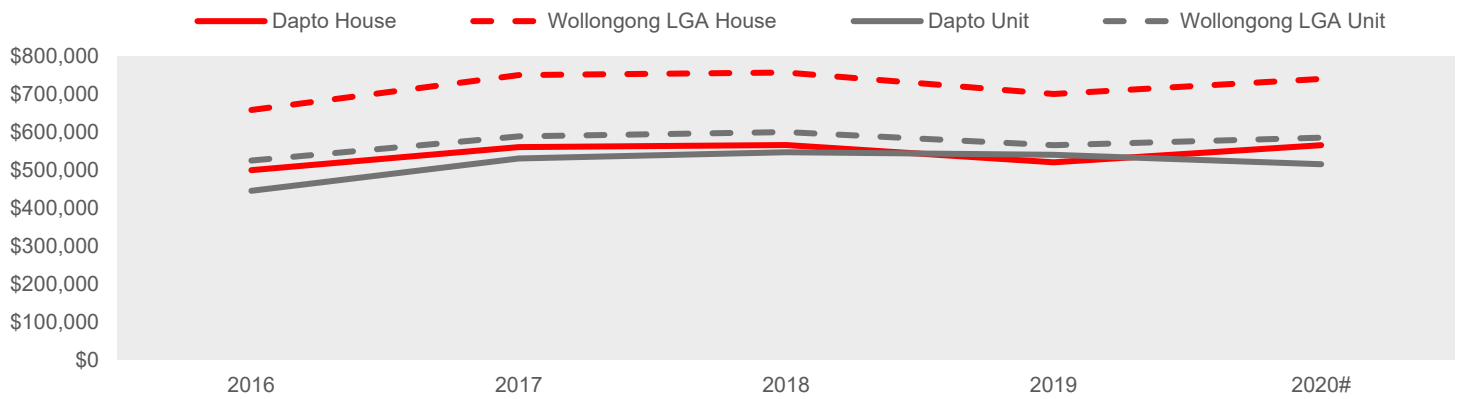
Average vendor discounts between Q3 2019 and Q3 2020 have tightened for both property types, to -3.1% for houses and -4.1% for units. Dapto* provide unique opportunities. Sellers can achieve a final sale price closer to their first list price, whilst buyers can still benefit from a discount. Now is the time to transact.

The suburb of Dapto has historically offered greater affordability than the greater Wollongong 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 Dapto* across 2020^ were in the middle-range price bracket of \$550,000-\$650,000 (32.3%), while units recorded a dominant premium price point of above \$525,000 (29.8%). Buyers at the lower price points must act quickly, with limited availability for either house or unit stock priced below \$450,000.



MARKET COMPARISON

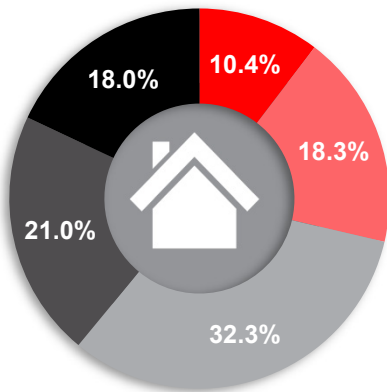


The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled is chosen based on their proximity to the main suburb analysed, which is Dapto.

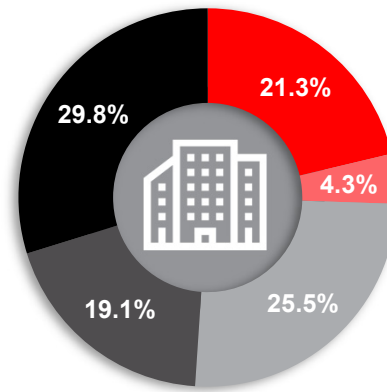
PRICE BREAKDOWN 2020^

HOUSES SOLD

UNITS SOLD



- Less than \$449,999
- \$450,000 to \$549,999
- \$550,000 to \$649,999
- \$650,000 to \$749,999
- \$750,000 and above



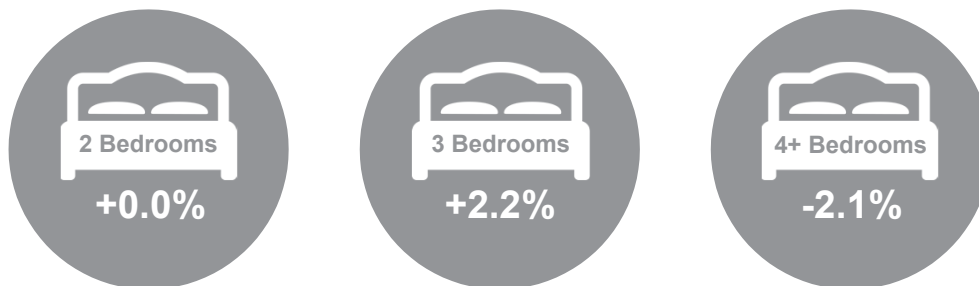
- Less than \$449,999
- \$450,000 to \$474,999
- \$475,000 to \$499,999
- \$500,000 to \$524,999
- \$525,000 and above

RENTAL GROWTH 2020€

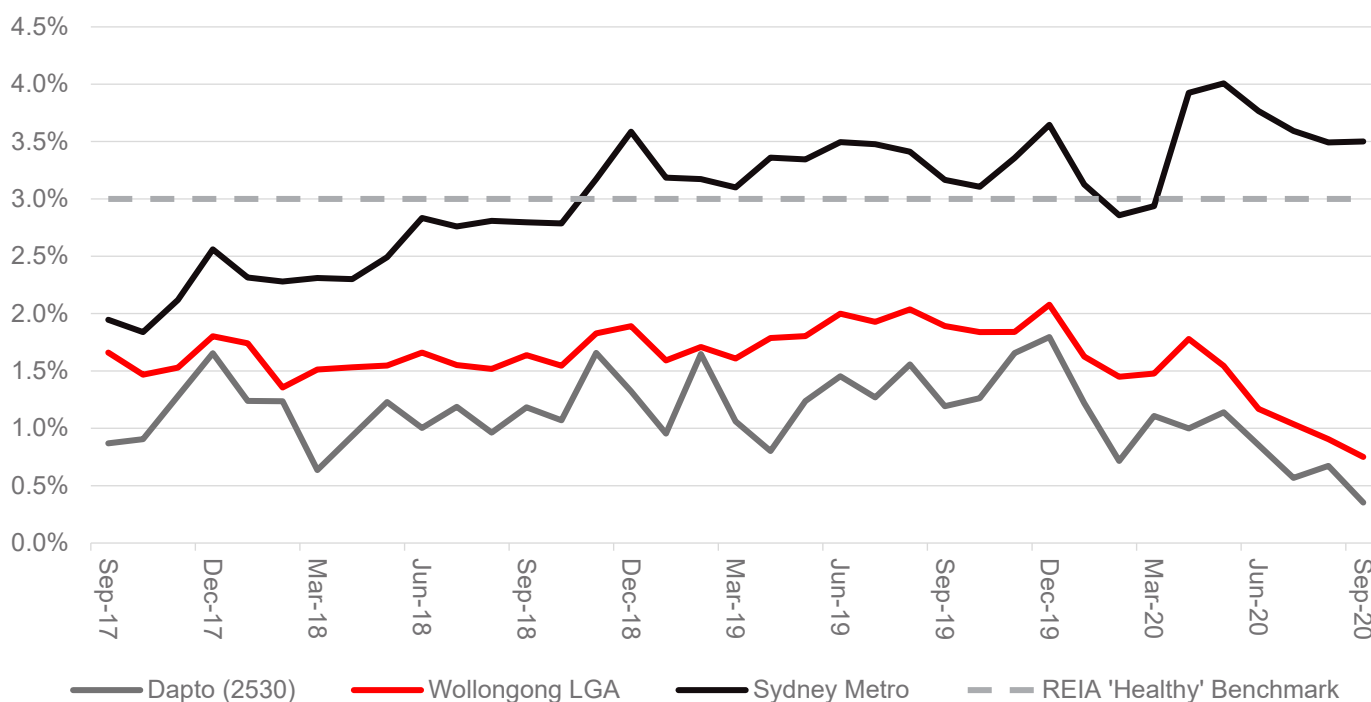
In September 2020, house rental yields in Dapto* were recorded at 3.8%. In the 12 months to Q3 2020, the median house rental price has increased to \$488 per week, while average days on the market declined by -26.1% (to 17 days). Overall this reveals Dapto* have remained a resilient rental market throughout COVID-19.

3 bedroom houses have provided investors with +2.2% rental growth annually, with a median rent of \$460 per week.

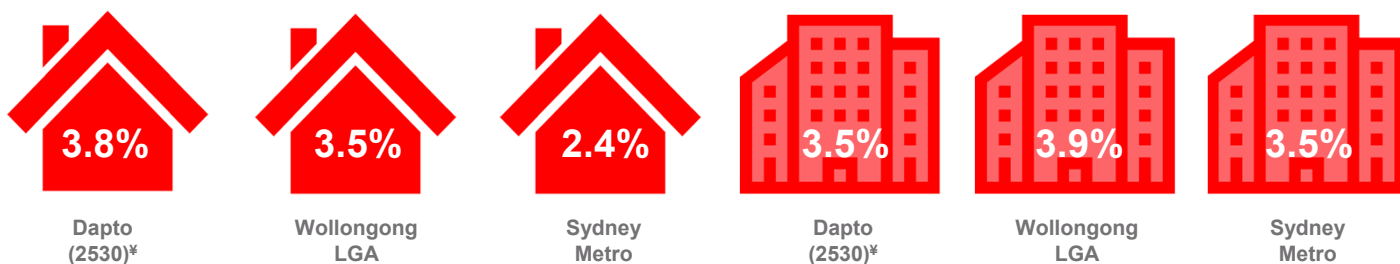
Also in September 2020, Dapto* recorded an extremely low vacancy rate of just 0.4%; below that of an already very low rate of 0.8% in Wollongong LGA, and well below Sydney Metro (3.5%). Vacancy rates in Dapto* is now at a historical low, well below the Real Estate Institute of Australia's healthy benchmark of 3.0%, and continuing on a declining trend even amidst COVID-19 conditions. This confirms there is still a healthy rental demand in Dapto*, benefiting investors.



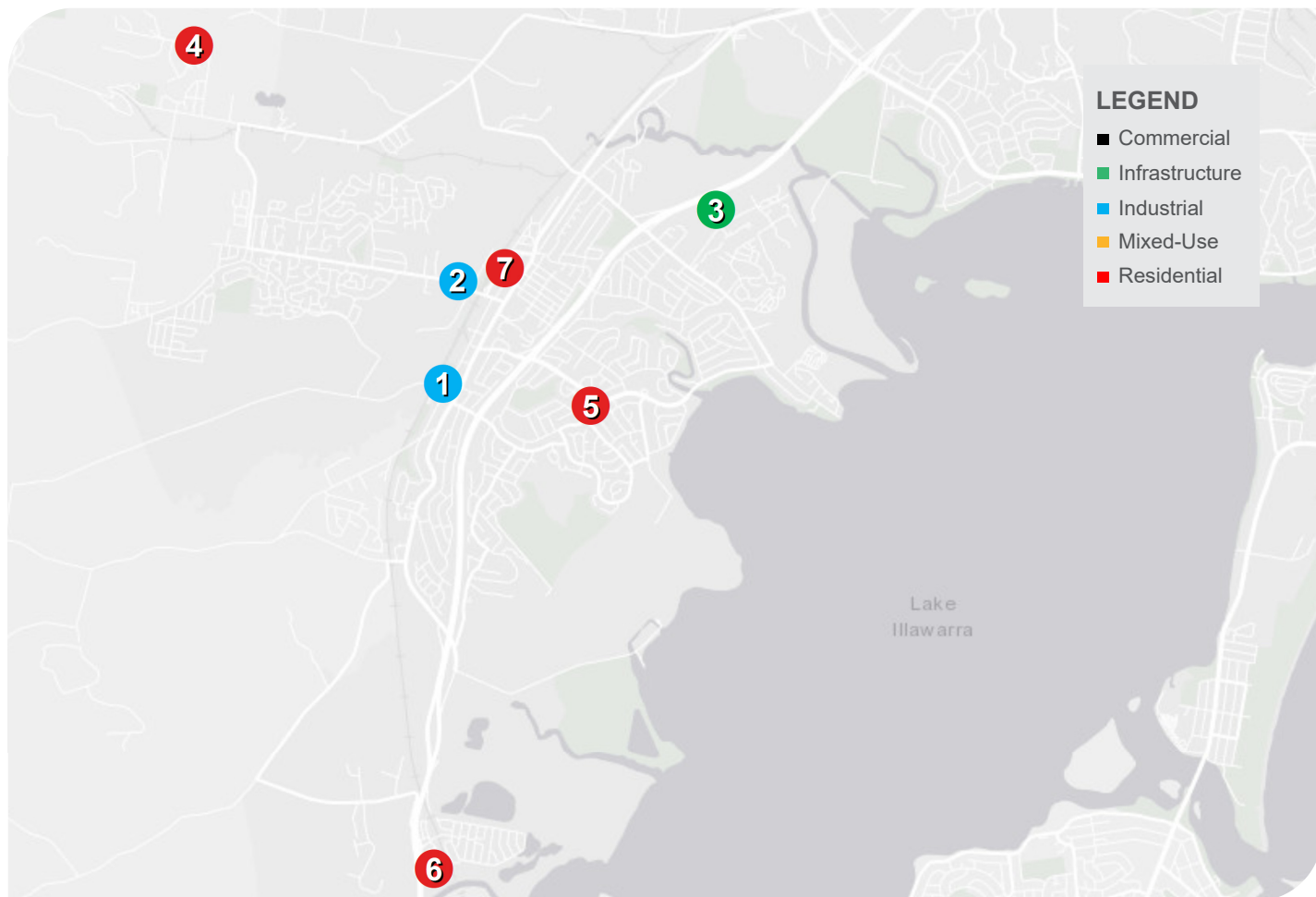
RENTAL VACANCY RATES 2020



RENTAL YIELD 2020\$



PROJECT DEVELOPMENT MAP 2ND HALF 2020*



Location	Project [£]	Type	Estimated Value ^µ	Commence Date ^ψ
1	Marshall Street Self Storage Units	Industrial	\$2,000,000	25/09/2020
2	Hamilton Street Industrial Units	Industrial	\$500,000	30/11/2020
3	Henry Brooks Estate	Infrastructure	\$400,000	11/12/2020
4	The Vale At Vista Park (196 Lots)	Residential	\$13,000,000	24/07/2020
5	Lakelands Drive Dwellings – Hamptons (15 Dwellings)	Residential	\$3,750,000	01/07/2020
6	Gerongar Crescent Dwellings (7 Dwellings)	Residential	\$1,750,000	07/08/2020
7	Station Street Dwellings (5 Dwellings)	Residential	\$1,500,000	16/09/2020

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

* Dapto market data and key indicators encapsulates aggregate property market conditions within the postcode 2530.

** 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.

¥ Dapto market data encapsulates aggregate property conditions within the postcode of 2530.

§ 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 postcode 2530.

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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