

Dapto Market Update 2nd Half 2021



OVERVIEW

In Q3 2021, Dapto* recorded a median house price of \$750,000, and a median unit price of \$610,000. This represents annual (Q3 2020 – Q3 2021) median price growth of 28.2% for houses and 24.2% for units. Between Q3 2020 – Q3 2021 total sales slowed for houses, by -24.0% (to 114 sales), and picked up by 150.0% for units (to 40 sales). The unit market shows real returns in capital investment in, as price growth is alongside higher sales; but the house market is undersupplied, as price growth is due to less sales. Overall these trends suggest now is an ideal time to sell in Dapto*.

	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 2021



SALES AVERAGE DAYS ON MARKET Q3 2021



RENTAL MEDIAN PRICE Q3 2021

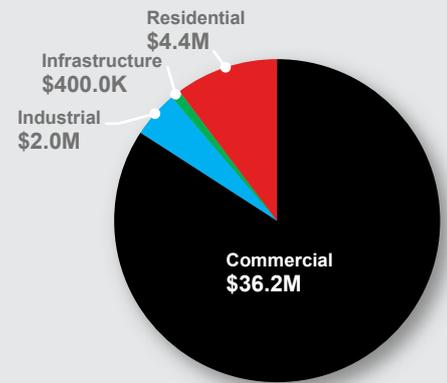


RENTAL AVERAGE DAYS ON MARKET Q3 2021



FUTURE DEVELOPMENTS

Dapto* is set to see approximately **\$43.0M** worth of new projects commencing in 2021.



A large emphasis on commercial projects will stimulate economic growth and employment in Dapto*. A smaller focus on residential projects is concerning, due to high demand.

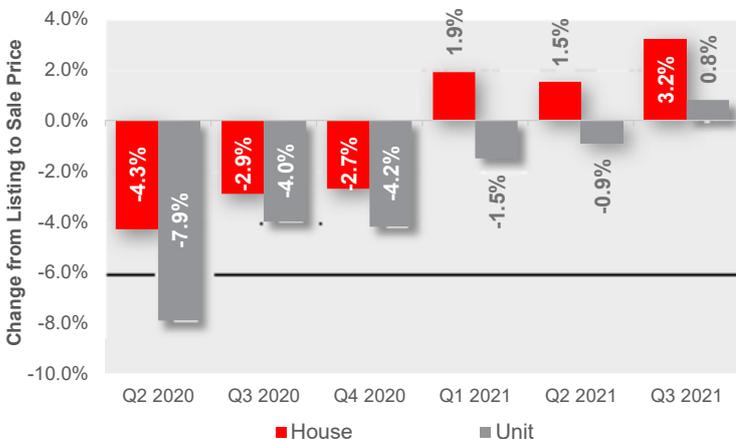
A main commercial project over 2021 is the Anglicare St Lukes Village Independent Living Units – Stage 2 (\$15.0M). This project will see the demolition of existing buildings, with 2 new flat blocks holding 60x 1-bedroom self-contained seniors apartments.

The civil works for the West Dapto Road Residential Subdivision – Greenview Estate (\$2.8M, 61 lots) were planned for completion in the back half of 2021 and will assist first home buyers who are eligible for multiple government grants to build their home and step into the property market. The Baan Baan Street Dwellings (\$1.6M) will add 9 ready-to-sell dwellings which is a welcomed addition to Dapto's undersupplied house market. That said more is needed to keep house price growth at a sustainable level, thus creating a unique opportunity for developers.



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.

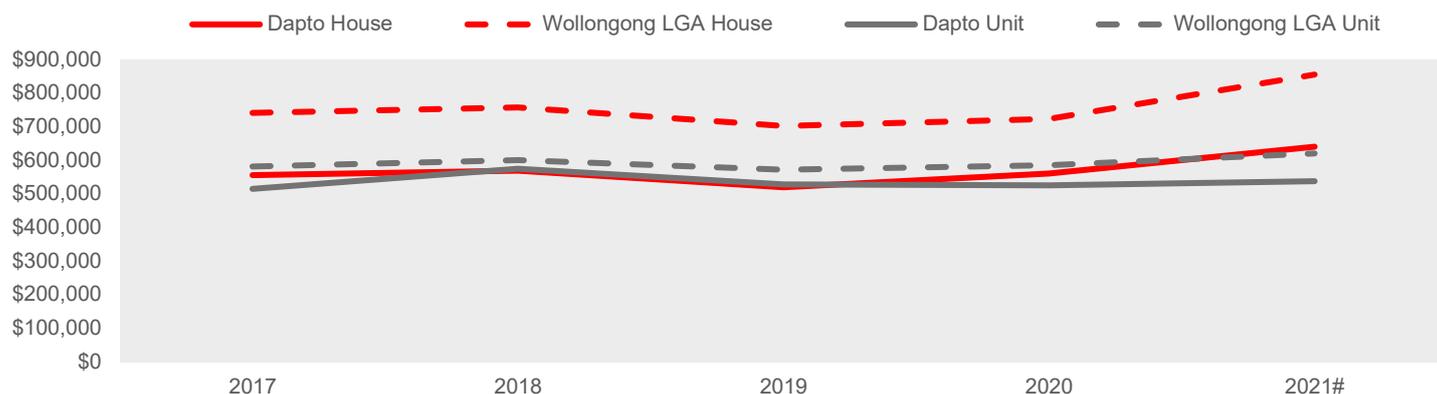


Average vendor discounts between Q3 2020 and Q3 2021 have swung to a premium of 3.2% for houses and 0.8% for units. Market conditions in Dapto* have trended to becoming a more sellers' market since the beginning of 2021, where buyers are now willing to negotiate above the initial listing price.

The suburb of Dapto has historically offered greater value than the wider Wollongong Local Government Area (LGA) in both house and unit median prices. This continues to be the case in 2021#.

The dominant proportion of homes sold in Dapto* across 2021^ were in the mid-price bracket of \$650,000 - \$750,000 (28.1%). Units sales indicate that despite a record high median price and strong price growth, there is still a wide array of stock available in a number of different price ranges. This is good news for first home buyers looking to enter the Dapto* market.

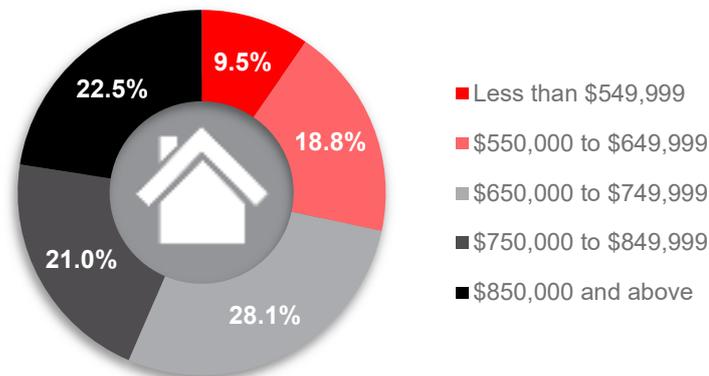
MARKET COMPARISON



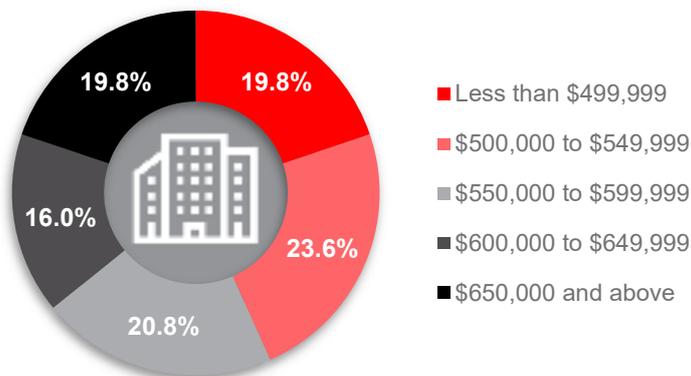
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Dapto.

PRICE BREAKDOWN 2021^

HOUSES SOLD



UNITS SOLD



RENTAL GROWTH 2021€

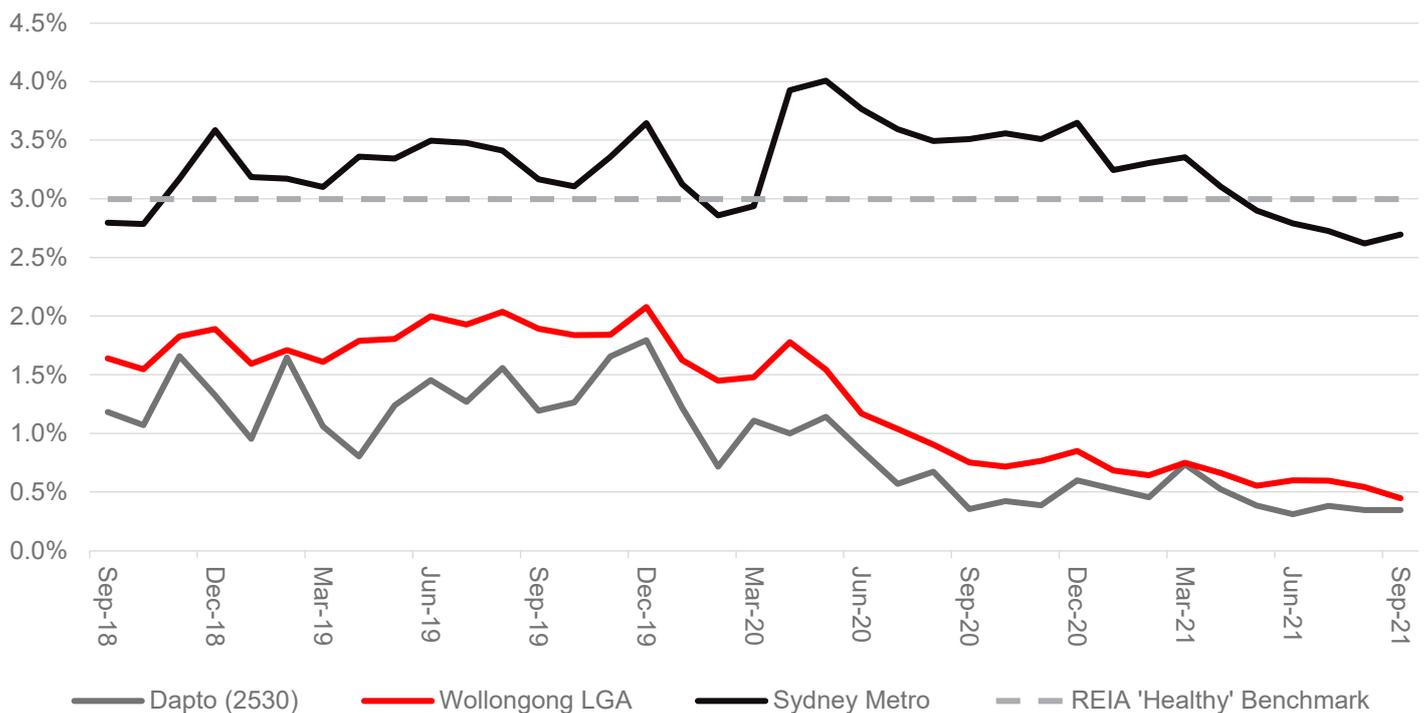
In September 2021, house rental yields in Dapto* were recorded at 3.3%. In the 12 months to Q3 2021, the median house rental price increased by 12.2% to reach \$550 per week, while average days on the market to let declined by -26.3% (to 14 days). Low rental supply and increased demand has seen rental prices increase and the time to fill a new tenant decrease.

4+ bedroom houses have provided investors with +7.1% rental growth annually€, with a median rent of \$600 per week.

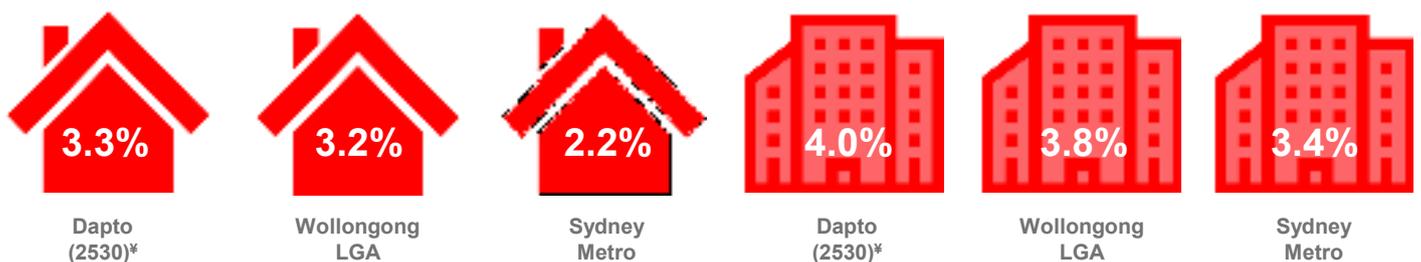
Also in September 2021, Dapto* recorded a vacancy rate of 0.3%, just below that of Wollongong LGA (0.4%) and well below Sydney Metro (2.7%). Vacancy rates in Dapto* have continued to trend downwards since December 2019 and remain well below the Real Estate Institute of Australia's healthy benchmark of 3.0%, despite recent lockdowns. This confirms there is healthy rental demand and investors can be confident of a conducive investment environment in Dapto*.



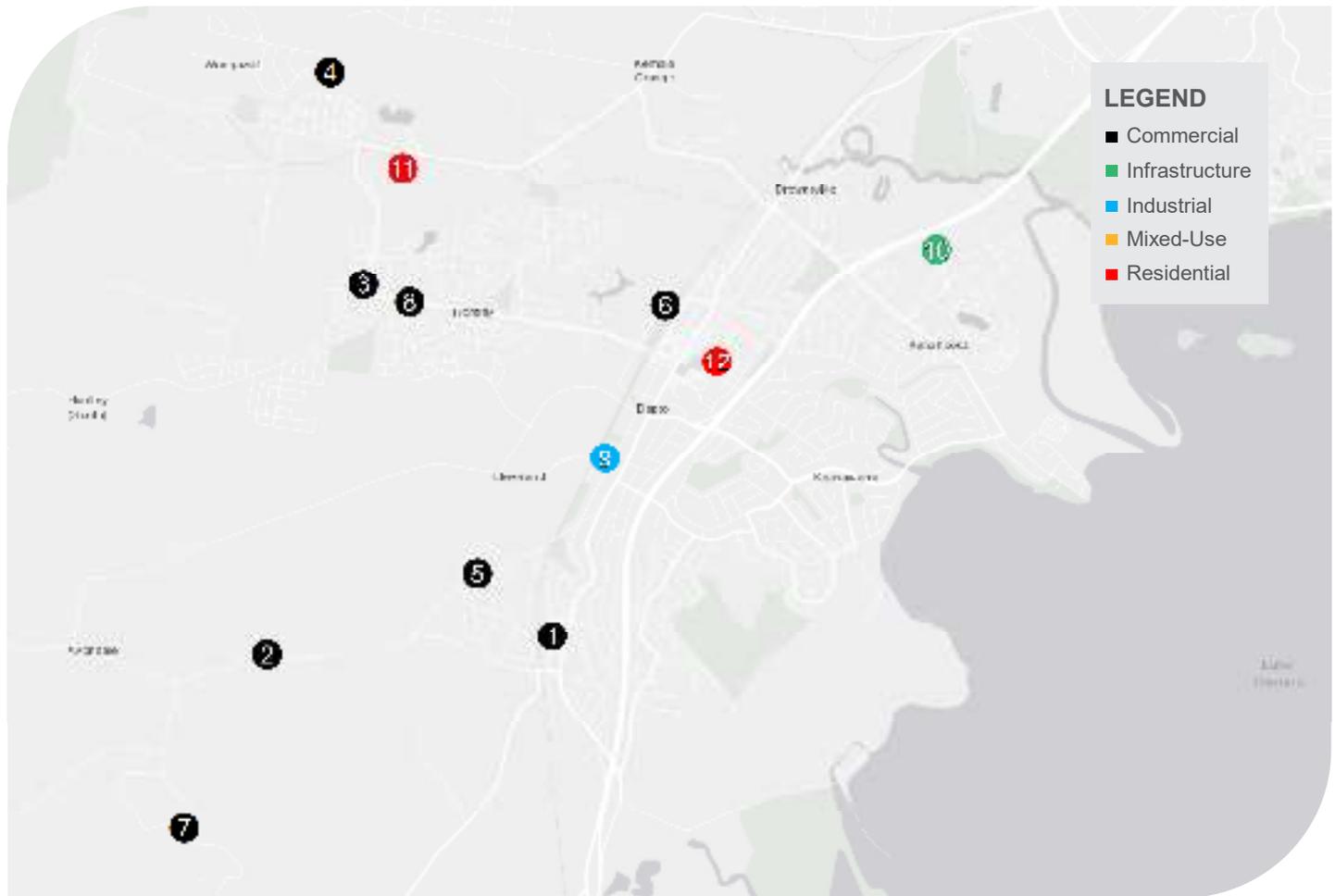
RENTAL VACANCY RATES 2021



RENTAL YIELD 2021§



TOP DEVELOPMENTS MAP 2ND HALF 2021^A



Location	Project [£]	Type	Estimated Value ^{!!}	Commence Date ^ψ
1	Anglicare St Lukes Village Independent Living Units Stage 2	Commercial	\$15,000,000	08/02/2021
2	Illawarra International Health Precinct - Seniors Accommodation	Commercial	\$11,000,000	04/07/2021
3	Hammondcare At Home Stage 2b	Commercial	\$7,500,000	17/06/2021
4	Little Zacs Adacamy The Vale At Vistapark Wongawilli	Commercial	\$1,000,000	06/01/2021
5	Avondale Road Boarding House	Commercial	\$1,000,000	30/04/2021
6	Hamilton Street Light Industrial Shed	Commercial	\$300,000	31/03/2021
7	Mountain View Terrace Farm Shed	Commercial	\$200,000	04/05/2021
8	Bong Bong Road Sales & Information Centre	Commercial	\$200,000	10/11/2021
9	Marshall Street Self Storage Units	Industrial	\$2,000,000	10/04/2021
10	Henry Brooks Estate	Infrastructure	\$400,000	11/08/2021
11	West Dapto Road Residential Subdivision - Greenview Estate (61 Lots)	Residential	\$2,800,000	22/03/2021
12	Baan Baan Street Dwellings (9 Dwellings)	Residential	\$1,600,000	30/06/2021

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 of 2530.

** Estimated values are based on construction value provided by the relevant data authority and does not reflect commercial and/or re-sale value.

2021 encapsulates sales transactions for 2021 (01/01/2021 – 30/09/2021) only.

^ 2021 encapsulates sales transactions for 2021 (01/01/2021 – 30/09/2021) only.

€ Annual rental growth is a comparison between 2020 (01/01/2020 – 30/09/2020) and 2021 (01/01/2021 – 30/09/2021) house median rent figures.

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

§ Rental yields shown are as reported as of September 2021.

⌘ 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 of 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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