



Kogarah Market Update 2nd Half 2021



OVERVIEW

In Q3 2021, Kogarah* recorded a median house price of \$1,660,000, and a median unit price of \$680,000. This represents annual (Q3 2020 – Q3 2021) median price growth of 32.3% for houses and a price softening of -0.7% for units. Between Q3 2020 – Q3 2021 total sales in both markets slowed, down by -29.3% for houses (to 58 sales) and by -13.8% for units (to 213 sales). The house market is significantly undersupplied, with price growth combined with less sales volumes. Now is an ideal time for house owners to sell, whereas first home buyers can benefit from a slightly more affordable unit market.

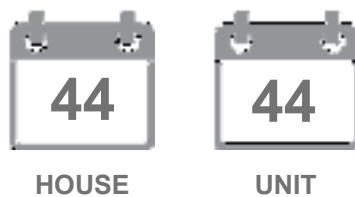
	CHANGE FROM LAST	YEAR	HALF YEAR
	House Sales	↓	↓
	House Median Price	↑	↑
	House Rental Price	↑	↑
	Unit Sales	↓	↓
	Unit Median Price	↓	↓
	Unit Rental Price	↓	↓

MARKET CONDITIONS

SALES MEDIAN PRICE Q3 2021



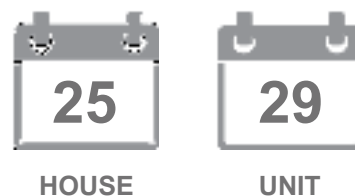
SALES AVERAGE DAYS ON MARKET Q3 2021



RENTAL MEDIAN PRICE Q3 2021

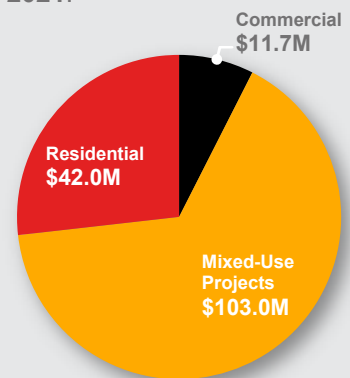


RENTAL AVERAGE DAYS ON MARKET Q3 2021



FUTURE DEVELOPMENTS

Kogarah* is set to see approximately **\$156.7M** worth of new projects commencing in the 2nd half of 2021.



A focus on mixed-use projects will add fresh dwelling stock design in the market, while also providing new employment opportunities for locals. Residential projects will answer high demand, ensuring sustainable price growth.

Main commercial projects over the 2nd half of 2021 are the Carlton Aldi Fit out (\$4.5M) and the English Street Boarding House (\$5.0M). Mixed use projects due to start construction in the second half of 2021 include the Chapel Street Mixed Use Development (\$53.2M, 169 Units) and Prince Highway Mixed Use Development (\$14.9M, 45 Units). These projects will add retail/commercial tenancies and housing supply to the area.

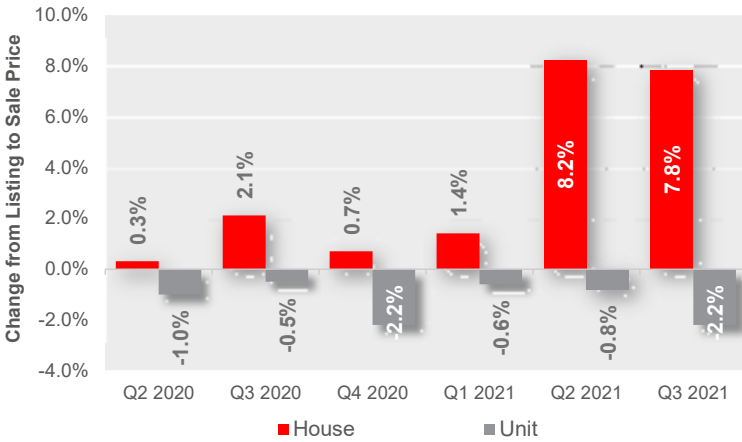
Other residential projects include: The Victoria (\$29.8M, 96 Units), Princes Highway Apartments (\$6.3M, 22 Units) and Bembridge Street Apartments (\$5.8M, 23 Units). Although ready-to-sell units are a welcomed addition, there is a significant need for ready-to-sell stand alone houses and lots.



475 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.

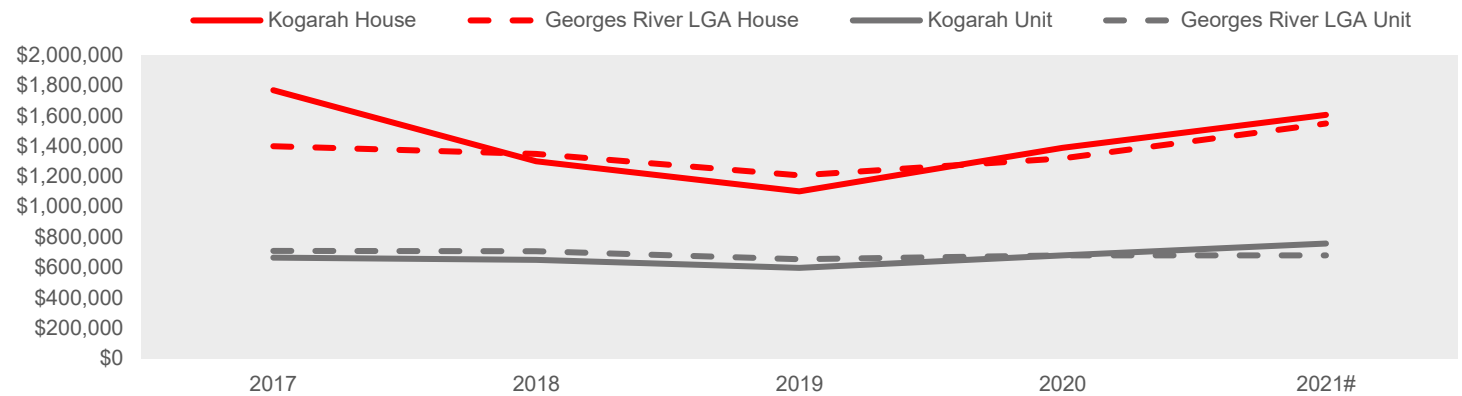


Average vendor discounts between Q3 2020 and Q3 2021 have further swung towards a higher premium of to 7.8% for houses and tightened to -2.2% for units. House market conditions in Kogarah* have now shifted heavily to favour sellers, whilst unit buyers can still benefit from a slight discount. The disparity between houses and units in Kogarah* is increasing.

The suburb of Kogarah has historically performed closely to the wider Georges River Local Government Area (LGA) in both property prices. 2021# saw the suburb slightly outperforming the LGA.

The dominant proportion of homes sold in Kogarah* across 2021^ were in the premium price bracket of \$1,800,000 and above (28.1%). Units recorded a dominant upper-mid price point of \$700,000 - \$800,000 (27.2%). Kogarah* is turning into a premium market, with affordable options shrinking in the past 12 months.

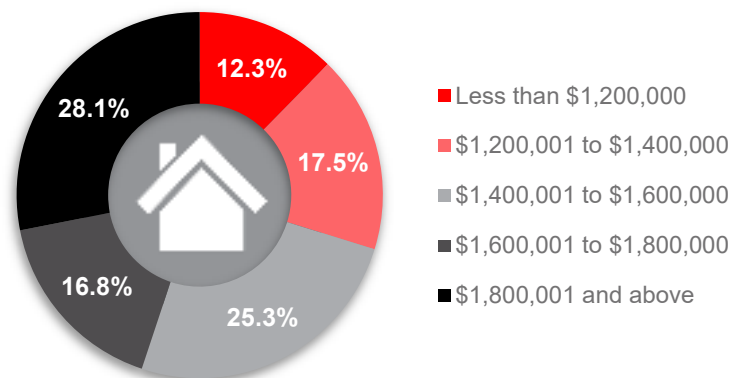
MARKET COMPARISON



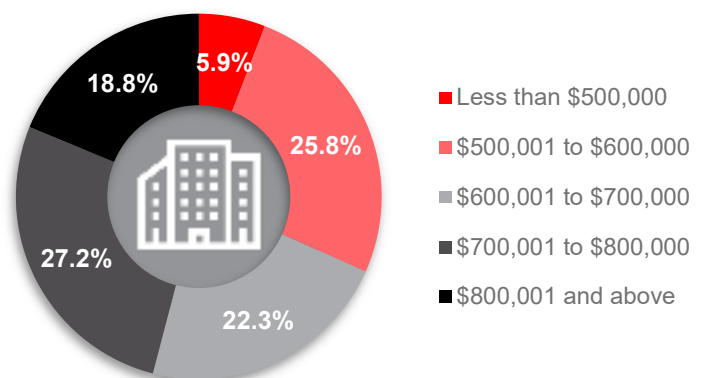
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Kogarah.

PRICE BREAKDOWN 2021^

HOUSES SOLD



UNITS SOLD



RENTAL GROWTH 2021€

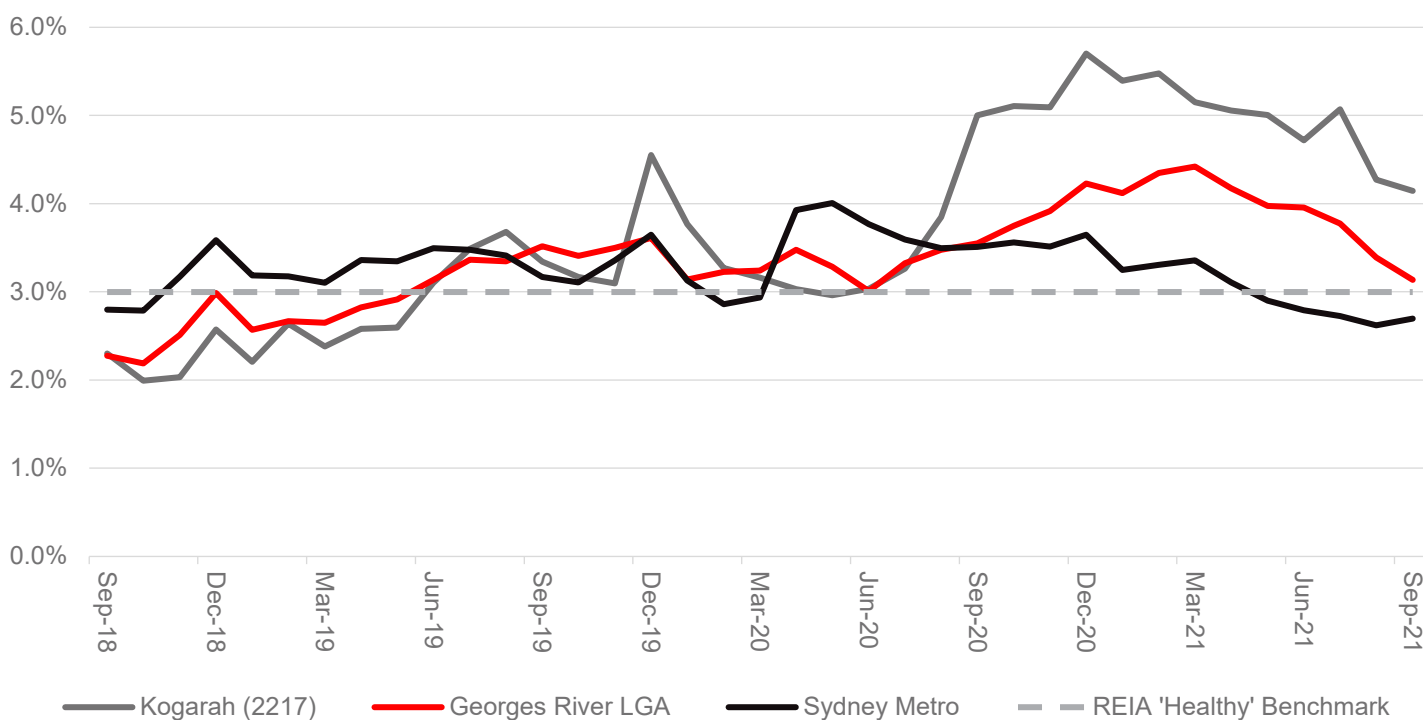
In September 2021, unit rental yields in Kogarah* were recorded at 3.1%. In 2021 Kogarah* has seen a significant increase in new unit supply, in which renters are paying a premium price. On the other hand, median rental price of existing (older) unit stock in the area has seen up to -20.0% decline in Q3 2021. The average days on the market to let unit rentals has declined by -35.5% (to 29 days), which suggest there is higher demand.

1 bedroom units have provided investors with 0.0% rental growth annually€, with a median rent of \$400 per week.

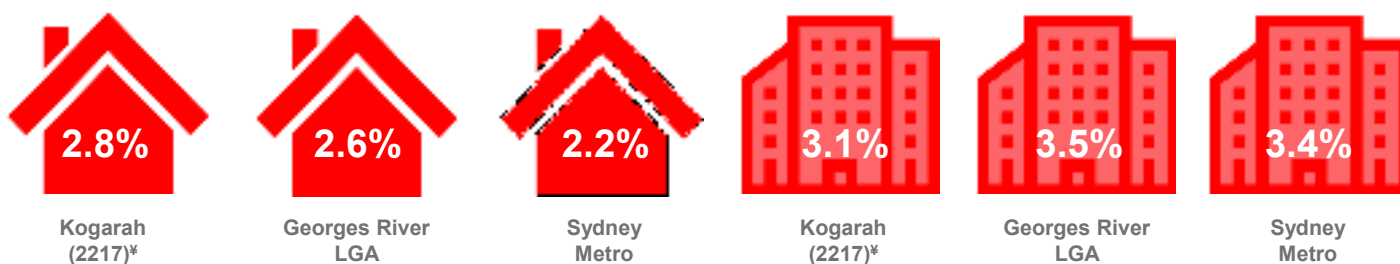
Also in September 2021, Kogarah* recorded a vacancy rate of 4.1%, above that of Georges River LGA (3.1%) and Sydney Metro (2.7%). Vacancy rates in Kogarah* have recorded a declining trend since December 2020, however still sit above the Real Estate Institute of Australia's healthy benchmark of 3.0%. There is increasing rental demand in the area, however investors in Kogarah* may wish to sign tenants to longer term leases in order to have increased security of cashflow.



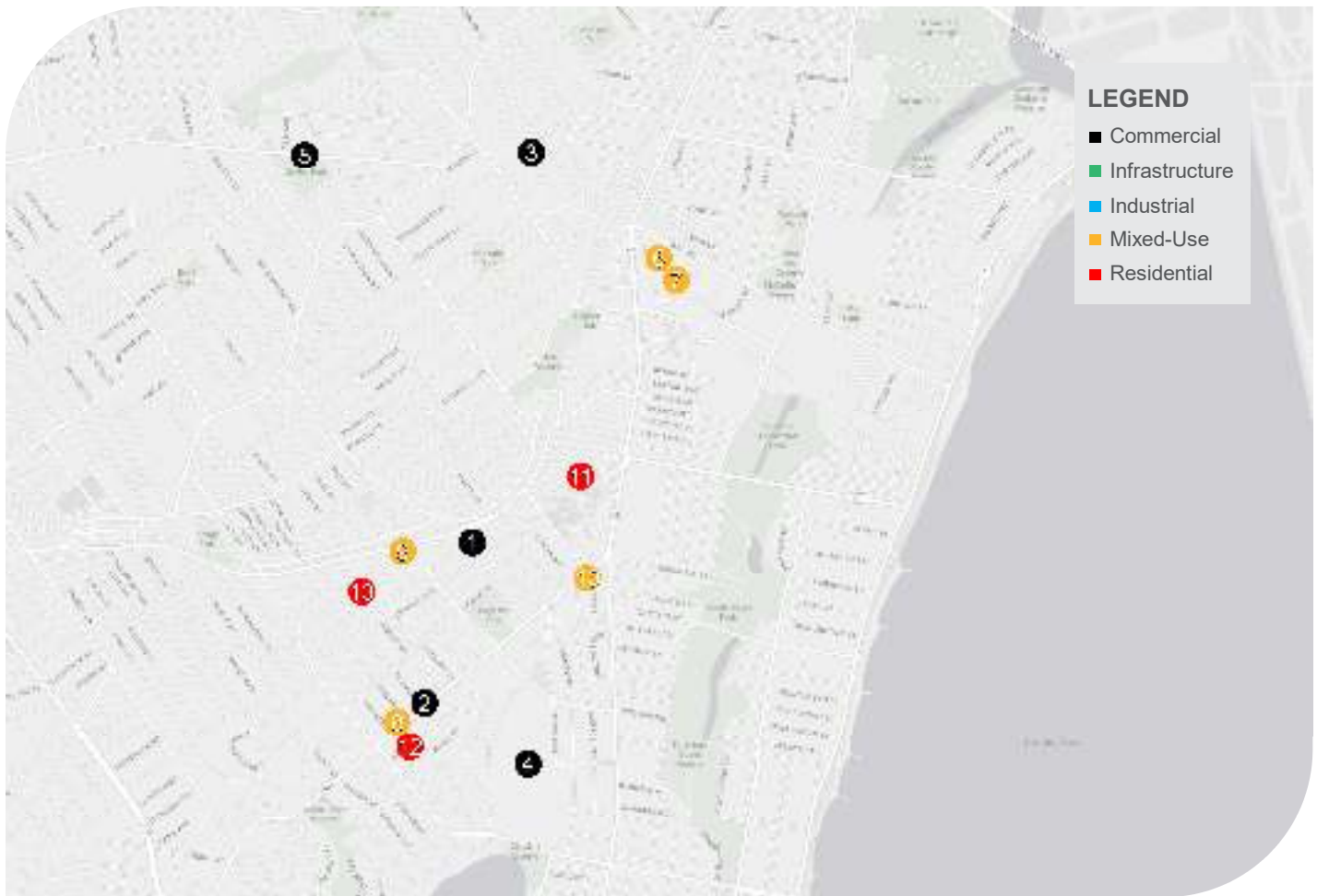
RENTAL VACANCY RATES 2021



RENTAL YIELD 2021\$



TOP DEVELOPMENTS MAP 2ND HALF 2021^A



Location	Project [£]	Type	Estimated Value [£]	Commence Date [Ⓜ]
1	English Street Boarding House	Commercial	\$5,045,000	02/10/2021
2	Aldi Carlton Fitout	Commercial	\$4,500,000	13/07/2021
3	Frederick Street Boarding House	Commercial	\$1,399,000	09/10/2021
4	Beverly Park Golf Course	Commercial	\$435,000	18/07/2021
5	Medway Street & Stoney Creek Road Boarding House	Commercial	\$350,000	07/12/2021
6	Chapel Street Mixed Use Development (169 Units)	Mixed-use	\$53,259,000	16/11/2021
7	Bay & Chapel Streets Mixed Use Development (85 Units)	Mixed-use	\$22,012,000	15/08/2021
8	Princes Highway Mixed Development (45 Units)	Mixed-use	\$14,911,000	18/10/2021
9	Railway Parade Mixed Use Development (23 Units)	Mixed-use	\$8,460,000	16/12/2021
10	Princes Highway Mixed Use Development (12 Units)	Mixed-use	\$4,375,000	13/11/2021
11	The Victoria (96 Units)	Residential	\$29,840,000	26/10/2021
12	Princes Highway Apartments (22 Units)	Residential	\$6,334,000	22/10/2021
13	Bembridge Street Apartments (23 Units)	Residential	\$5,795,000	10/09/2021

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

* 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.

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.

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

§ 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 suburbs of Beverley Park, Bexley, Carlton, Kogarah, Kogarah Bay, and 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 Pricerfinder, Cordell Connect database, SQM Research, Esri ArcGIS.

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