







Kogarah Market Update 1st Half 2022



OVERVIEW

In Q1 2022, Kogarah* recorded a median house price of \$1,632,500, and a median unit price of \$670,000. This represents annual (Q1 2021 – Q1 2022) median price growth of 13.4% for houses and a minor price softening of -6.3% for units. Total sales between Q1 2021 – Q1 2022 increased by 4.8% (to 87 sales) for houses and decreased by -46.1% (to 164 sales) for units. Current house owners can benefit from real returns on capital investment, as median price growth is alongside an increase in number of sales. Whereas first home buyers can benefit from a slightly more affordable unit market.

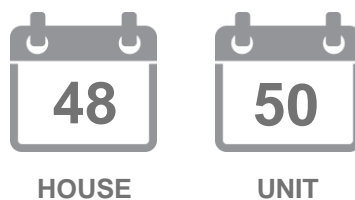
	CHANGE FROM LAST	YEAR	HALF YEAR
 House Sales		↑	↑
 House Median Price		↓	↑
 House Rental Price		↑	↑
 Unit Sales		↓	↓
 Unit Median Price		↓	↔
 Unit Rental Price		↑	↑

MARKET CONDITIONS

SALES MEDIAN PRICE Q1 2022



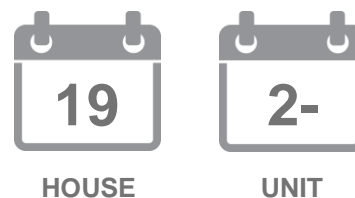
SALES AVERAGE DAYS ON MARKET Q1 2022



RENTAL MEDIAN PRICE Q1 2022

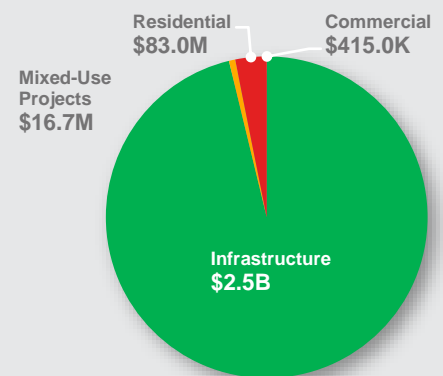


RENTAL AVERAGE DAYS ON MARKET Q1 2022



FUTURE DEVELOPMENTS

Kogarah is set to see approximately **\$2.6B** worth of new projects commencing in the 1st half of 2022.



A focus on infrastructure projects will improve liveability for residents, and could attract new people into the area. These projects create large employment opportunities in Kogarah, which combined can translate to an increase in demand for housing stock.

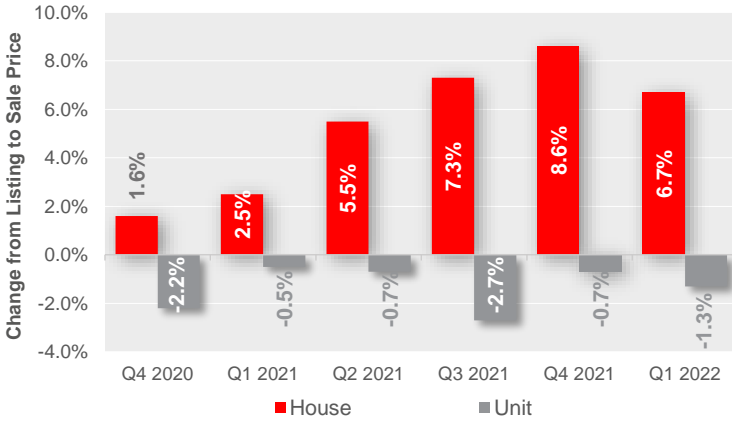
A main infrastructure project over the 1st half of 2022 is the M6 extension (\$2.2B). This project aims to link the M5 and M6 at Arncliffe to Kogarah with twin tunnel, which will improve the flow of traffic and allow for higher mobility. Infrastructure projects at this scale potentially will have a flow-on effect to other areas surrounding Kogarah, potentially increasing demand for housing as more people choose to live nearby.

There are 3 key residential projects set to commence during the 1st half of 2022: The Victoria (96 units, \$29.1M), Regent Street Units (94 units, \$29.1M), Victoria Street Apartments (83 apartments, \$23.9M). Although ready-to-sell units are a welcomed addition, there is a significant need for ready-to-sell stand alone houses.



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.

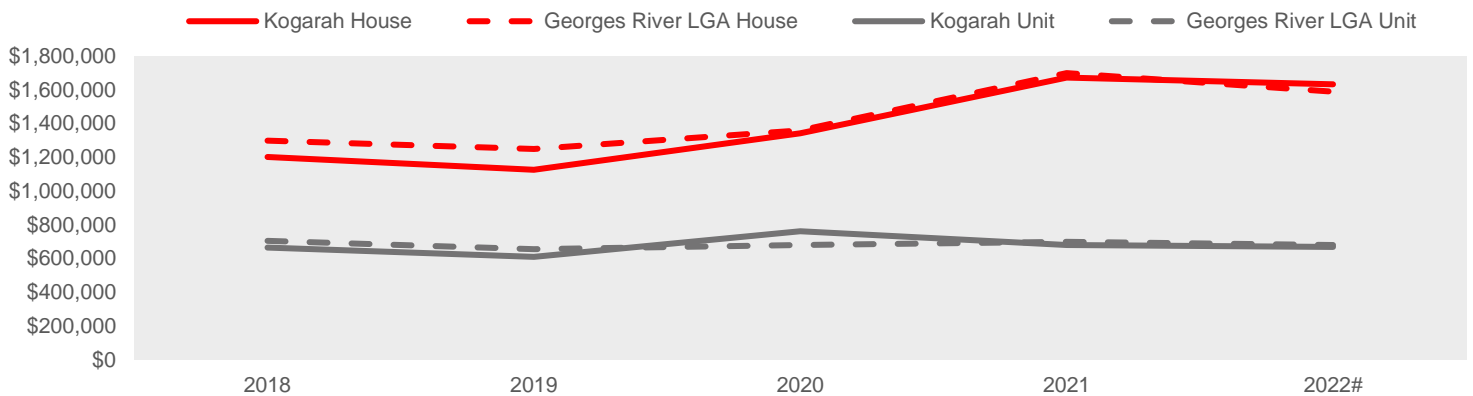


Average vendor discounts between Q1 2021 and Q1 2022 have further swung towards a higher premium of 6.7% for houses. In contrast, it widened to a discount of -1.3% for units. Market conditions in Kogarah* continue to favour vendors for houses, as buyers are willing to offer above the initial listing price. Yet unit buyers can benefit from a discount, the most in the past 12 months.

The suburb of Kogarah has historically performed closely to the wider Georges River Local Government Area (LGA) in both house and unit median prices. This continued to be the case in 2022#.

The dominant proportion of homes sold in Kogarah* across 2021/22^ were in the premium price bracket of \$1,100,000 and above (38.3%). On the other hand, units recorded a lower-mid price bracket of \$550,000 to \$649,999 (29.2%). Affordable options are readily available for units, however houses have continued to become a more premium market in the past 18 months.

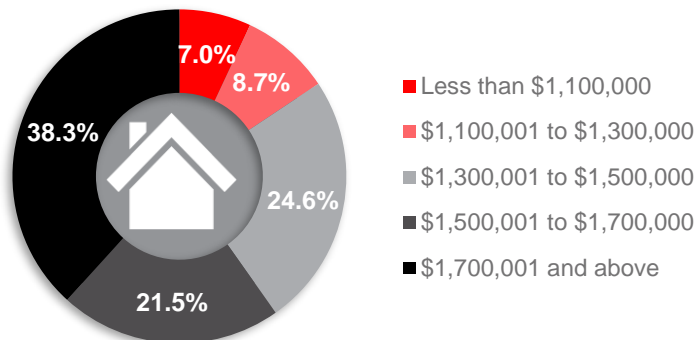
MARKET COMPARISON



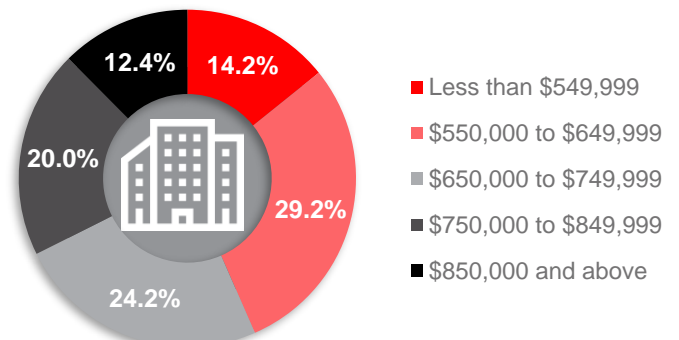
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Kogarah.

PRICE BREAKDOWN 2021/22^

HOUSES SOLD



UNITS SOLD



RENTAL GROWTH 2022€

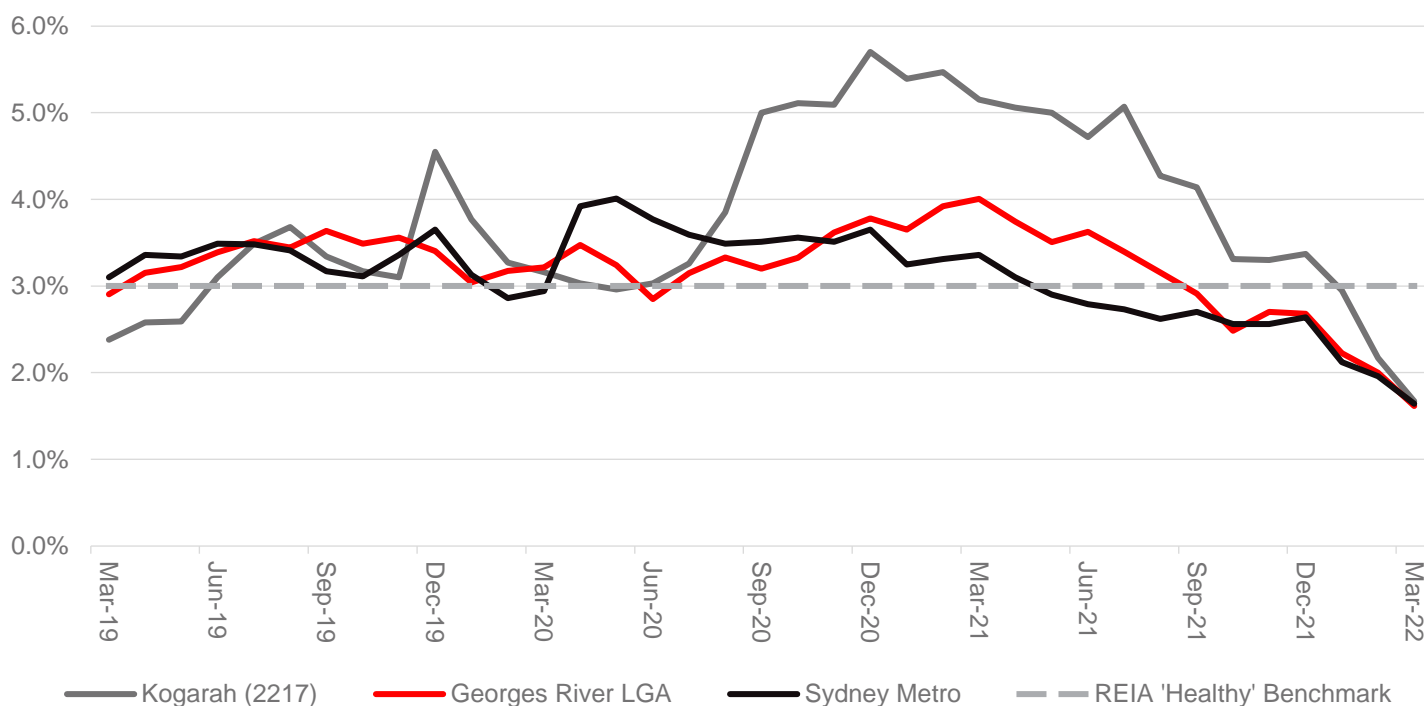
House rental yields in Kogarah were recorded at 2.3% as of March 2022, on par with Sydney Metro (2.3%). House rental yields may seem low, due to the annual (Q1 2021 – Q1 2022) median house sale price growth (13.4%) outpacing median house rent price growth (8.3%). That said median house rental price increased reached \$650 per week in Q1 2022, while average days to let on the market declined by -7.7% (to 48 days). This confirms there is a resilient rental market in Kogarah.

3+ bedroom houses have provided investors with +7.0% rental growth annually, achieving a median rent of \$640 per week.

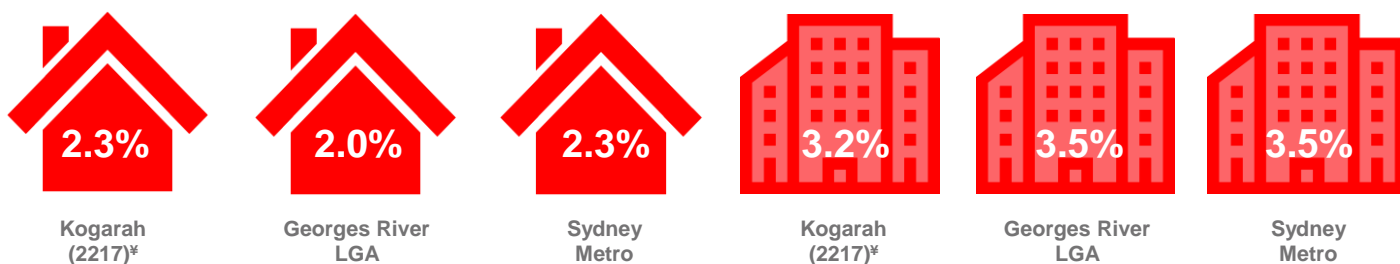
Kogarah[‡] recorded a vacancy rate of 1.7% in March 2022, which is slightly above George Rivers LGA (1.6%) as well as Sydney Metro (1.6%). Vacancy rates in Kogarah[‡] have sharply declined since July 2021, which has led vacancy rates to sit well below the Real Estate Institute of Australia's healthy benchmark of 3.0%. This confirms there is an increasingly healthy rental demand and investors can be confident of a conducive investment environment in Kogarah.



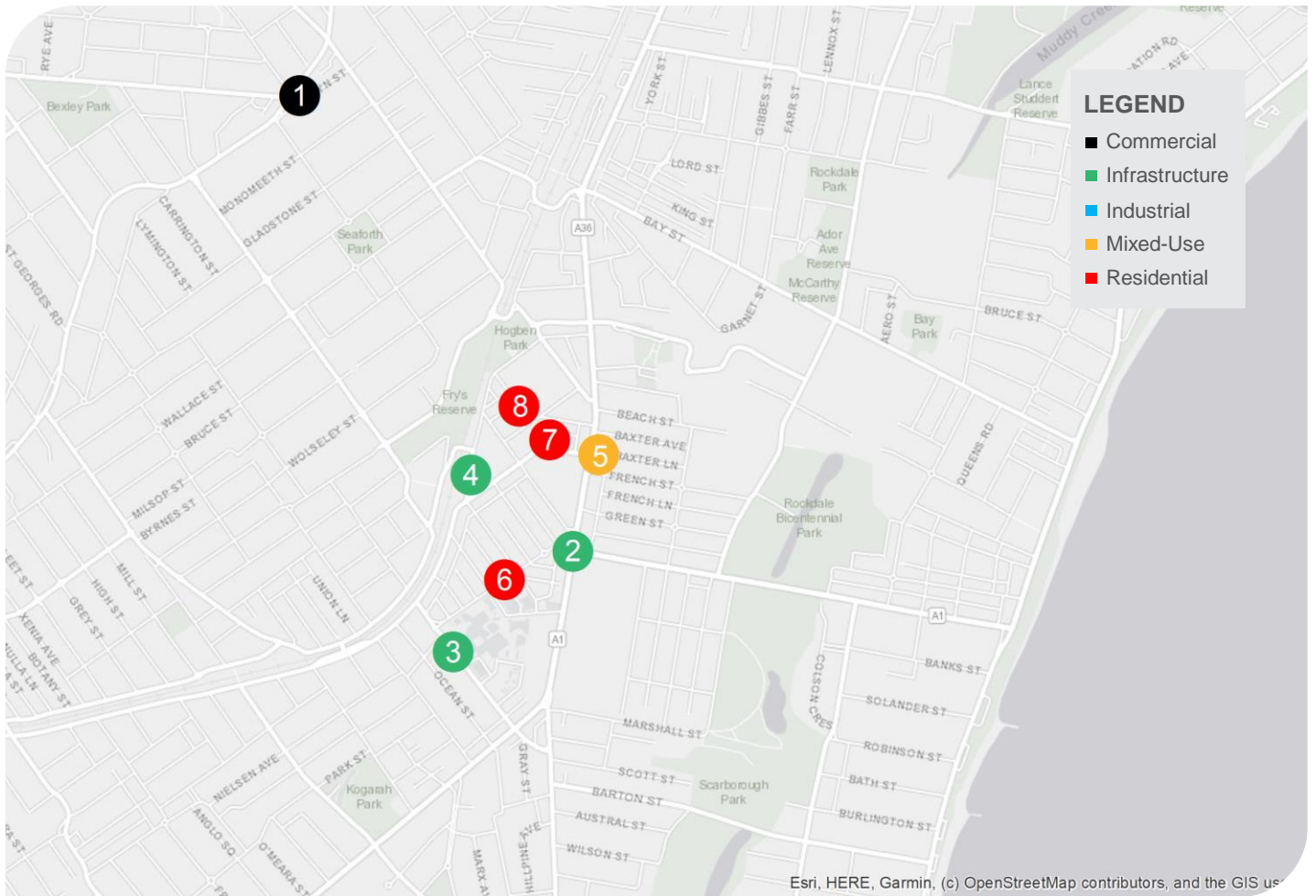
RENTAL VACANCY RATES 2022



RENTAL YIELD 2022§



TOP DEVELOPMENTS MAP 1st HALF 2022[▲]



Location	Project [£]	Type	Estimated Value ^µ	Commence Date ^ψ
1	Forest Road Commercial Premises	Commercial	\$415,000	06/04/2022
2	M6 Extension Stage 1	Infrastructure	\$2,520,000,000	17/01/2022
3	St George Hospital - Priority Works	Infrastructure	\$17,000,000	11/04/2022
4	Kogarah Station Clock Tower	Infrastructure	\$1,000,000	08/06/2022
5	Princes Highway Mixed Use Development	Mixed-use	\$16,709,000	09/05/2022
6	The Victoria (96 units)	Residential	\$29,840,000	14/04/2022
7	Regent Street Units (94 units)	Residential	\$29,120,000	16/02/2022
8	Victoria Street Apartments – Victoria & George (83 units)	Residential	\$23,990,000	16/06/2022

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.

2022 encapsulates sales transactions for Q1 2022 (01/01/2022 – 31/03/2022) only.

^ 2021/22 encapsulates sales transactions for 2021 & Q1 2022 (01/01/2021 – 31/03/2022).

€ Annual rental growth is a comparison between 2021 (01/01/2021 – 31/03/2021) and 2022 (01/01/2022 – 31/03/2022) house median rent figures.

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

§ Rental yields shown are as reported as of March 2022.

⌘ 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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