



# Dapto Market Update 1st Half 2022



## OVERVIEW

In Q1 2022, Dapto\* recorded a median house price of \$840,000, and a median unit price of \$685,000. This represents annual (Q1 2021 – Q1 2022) median price growth of 29.2% for houses and 27.1% for units. Total sales decreased in Q1 2021 – Q1 2022, by -18.3% (to 103 sales) for houses and by -60.0% for units (to 16 sales). The Dapto\* house and unit markets are undersupplied, as median price growth is alongside lower sales figures. Now is an opportune time for owners and downsizers to capitalise on their capital investment, and for developers to enter the Dapto\* market.

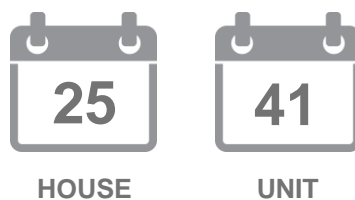
	CHANGE FROM LAST	YEAR	HALF YEAR
	House Sales	↓	↓
	House Median Price	↑	↑
	House Rental Price	↑	↔
	Unit Sales	↓	↓
	Unit Median Price	↑	↑
	Unit Rental Price	↑	↑

## MARKET CONDITIONS

### SALES MEDIAN PRICE Q1 2022



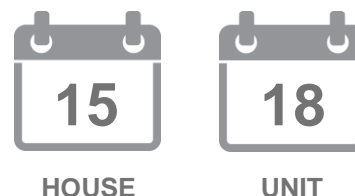
### SALES AVERAGE DAYS ON MARKET Q1 2022



### RENTAL MEDIAN PRICE Q1 2022

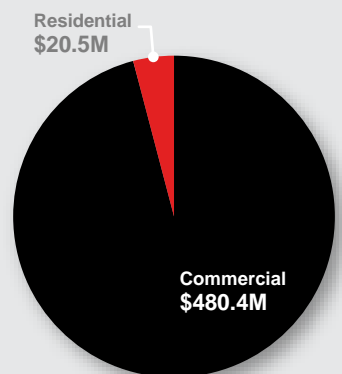


### RENTAL AVERAGE DAYS ON MARKET Q1 2022



## FUTURE DEVELOPMENTS

Dapto is set to see approximately **\$500.9M** worth of new projects commencing in the 1st half of 2022.



These projects will stimulate economic growth and create large employment opportunities in Dapto. This will have a spill-over impact on the real estate market, in the form of an increase in demand for housing stock.

A main commercial project over the 1st half of 2022 is the Tallawara B Power Station (\$400.0M). The project plans to construct a Gas Turbine plant capable of running on hydrogen and natural gas to produce power for Dapto\*.

The Bong Bong Residential Subdivision (\$8.5M) is a significant residential project due to commence construction in the 1st half of 2022 and plans to add 187 lots. Other key residential projects include The Vale at Vista Park Wongawilli Stage 4-6 (\$3.6M, 81 lots) and Huntley Heritage Avondale (\$8.3M, 99 lots).

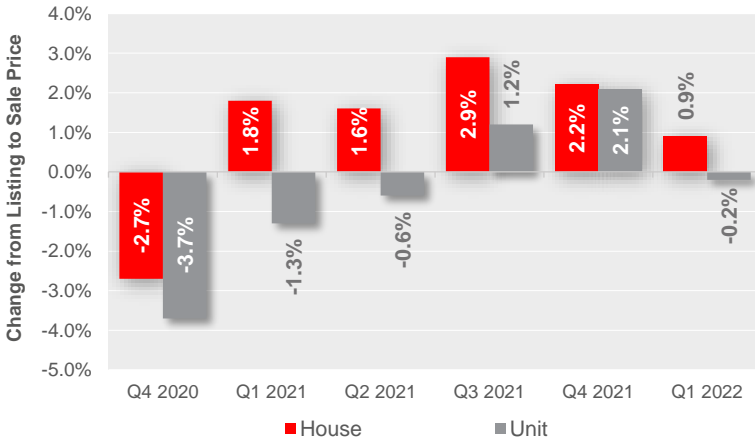
Although these residential projects will allow for some buyers access to multiple Government grants and build their home, it does not answer the immediate undersupply issue. Thus the reliance on current owners to sell exist, which may result in a further increase in property prices.



367 Lots

# 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.

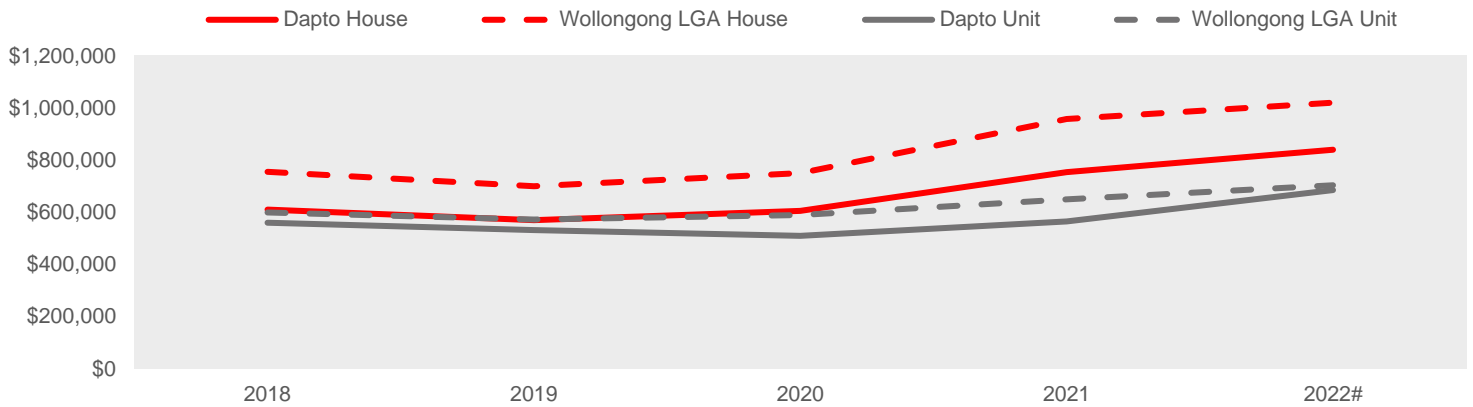


Average vendor discounts between Q1 2021 and Q1 2022 have remained in the premium range for houses, at a slightly lower rate of 0.9%. It has tightened for units, now sitting at a discount of -0.2%. Market conditions in Dapto\* is unique. Unit buyers must offer closer to the first list price, thus favouring vendors. House buyers still need to offer above the first list price, as per the past 5 quarters. However Q1 2022 records the lowest average vendor house premium, thus an opportunity for buyers.

The suburb of Dapto has historically provided a more affordable option compared to the wider Wollongong Local Government Area (LGA). This continued to be the case for houses in 2022#, but the unit market raised up to becoming more on par with the LGA.

The dominant proportion of homes sold in Dapto\* across 2021^ were in the middle-price bracket between \$700,000 and \$799,999 (23.2%). Units also recorded a dominant middle-range price point between \$500,000 and \$599,999 (45.2%).

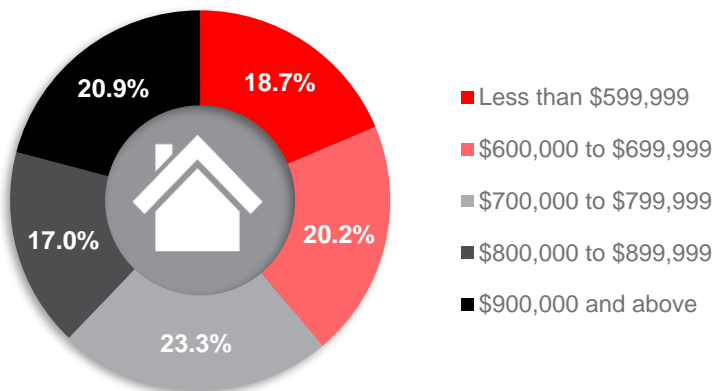
## MARKET COMPARISON



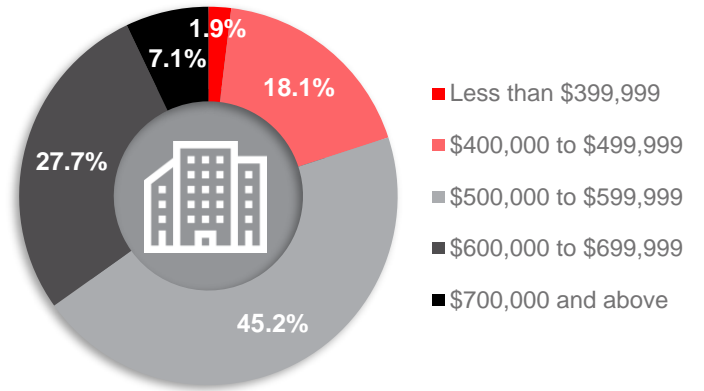
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Dapto.

## PRICE BREAKDOWN 2021/22^

### HOUSES SOLD



### UNITS SOLD

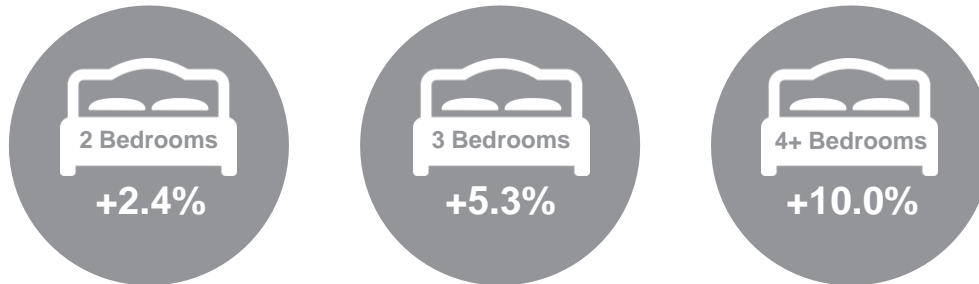


## RENTAL GROWTH 2022€

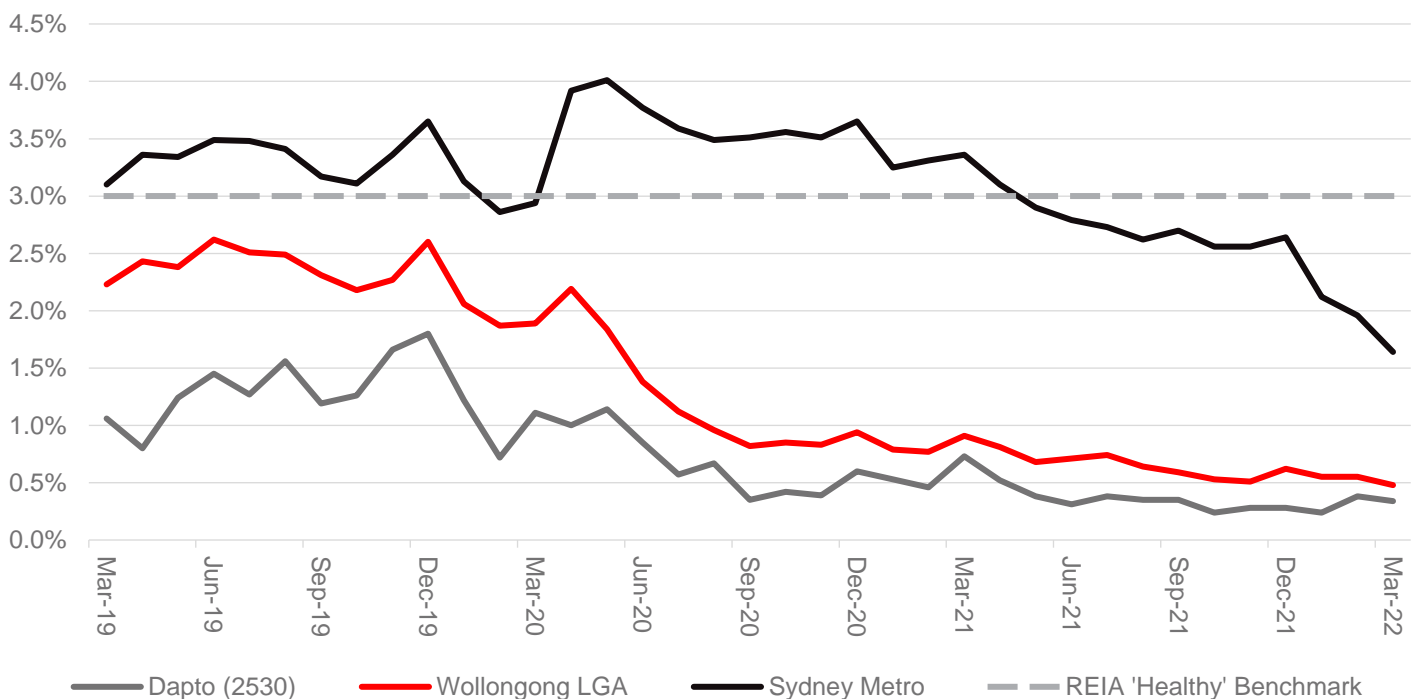
House rental yields in Dapto\* was recorded at 3.4% in March 2022. This was paired with a 14.6% increase in median house rental price (to \$550 per week) in the 12 months to Q1 2022, and a -12.3% decrease in the number of houses rented. There was also a -6.3% decrease in average days to let, which when combined with other factors suggest an undersupplied rental market. In the current market conditions it is evident that Dapto\* is an affordable investment alternative to Sydney Metro.

4+ bedroom houses have provided investors with +10.0% rental growth annually, achieving a median rent of \$550 per week.

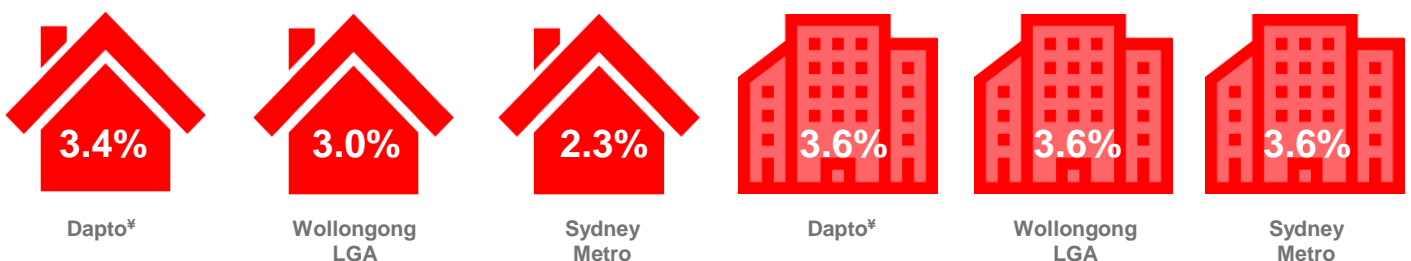
Dapto\* recorded a vacancy rate of 0.3% in March 2022, which is slightly below Wollongong LGA (0.5%) and well below Sydney Metro's 1.6% average. Vacancy rates in Dapto\* have held steady over the past 12 months, sitting within the 1.0% band within the past 18 months. This indicates continuously increasing rental demand, which creates a conducive and sustainable environment for investors, despite an increase in median sale prices of property over the past 12 months.



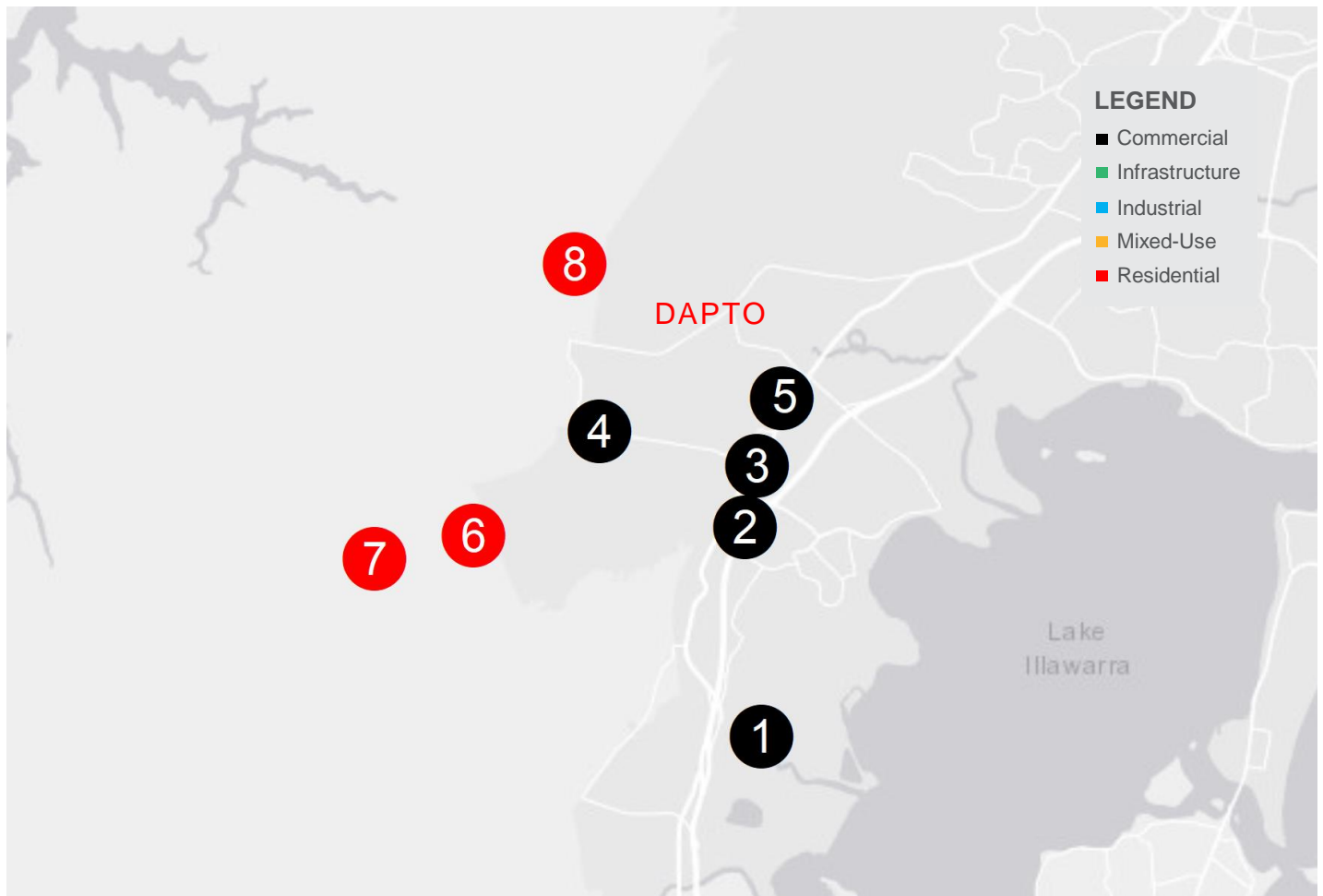
## RENTAL VACANCY RATES 2022



## RENTAL YIELD 2022§



# TOP DEVELOPMENTS MAP 1st HALF 2022<sup>▲</sup>



Location	Project <sup>£</sup>	Type	Estimated Value <sup>µ</sup>	Commence Date <sup>ψ</sup>
1	Tallawarra B Power Station	Commercial	\$400,000,000	14/06/2022
2	Illawarra International Health Precinct - Specialist & Surgicentre	Commercial	\$70,000,000	02/06/2022
3	Princes Highway Shop Top Housing (32 apartments)	Commercial	\$10,000,000	06/06/2022
4	Bong Bong Road Sales & Information Centre	Commercial	\$200,000	24/03/2022
5	Prince Edward Drive Take Away Outlet	Commercial	\$200,000	22/06/2022
6	Bong Bong & Cleveland Roads Residential Subdivision (187 lots)	Residential	\$8,500,000	12/05/2022
7	Huntley Heritage Avondale (99 lots)	Residential	\$8,350,000	18/04/2022
8	The Vale At Vista Park Wongawilli Stage 4 – 6 (81 lots)	Residential	\$3,645,000	24/01/2022

## 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

\* 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.

# 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.

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

§ 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 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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