



Kogarah Market Update

2nd Half 2022



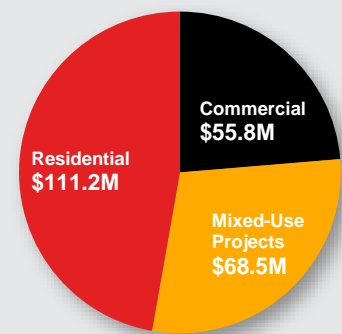
OVERVIEW

In Q3 2022, Kogarah* recorded a median house price of \$1,460,000, and a median unit price of \$662,000. This represents annual (Q3 2021 – Q3 2022) median price growth of -9.9% for houses. Total house sales increased by 9.1% annually but softened by -26.8% over the 6 month period to Q3 2022, to 60 house sales. Despite this, median house price growth slowed, by -14.1% in the past 6 months. This reflects interest rate hikes translating into the market. Likewise for the unit market, where annual (Q3 2021 – Q3 2022) median price growth softened by -1.2% and total sales declined by -23.8% (to 128 sales).

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

FUTURE DEVELOPMENTS

Kogarah is set to see approximately **\$235.0M** worth of new projects commencing in the 2nd half of 2022.



A focus on mixed-use and commercial projects will stimulate economic growth through local job creation. A focus on residential projects will replenish the current supply, creating a balanced market.

A main commercial project over the 2nd half of 2022 is the Princess Highway Commercial Development (\$18.5M). The project is set to demolish existing structures in favour for a 6 storey commercial development to comprise 55 dual key serviced apartments, and 2 commercial spaces.

Key residential projects include Prosper Apartments (57 apartments, \$19.7M) and The Victoria (87 apartments, \$22.3M).

New ready-to-sell units will assist with current undersupply, thus ensuring a more sustainable rate of price growth. At present a deficit in ready-to-sell new houses allow for listed stock to be absorbed by the market. However in the future there is still a reliance on owners selling.

MARKET CONDITIONS

SALES MEDIAN PRICE
Q3 2022



SALES AVERAGE DAYS ON
MARKET Q3 2022



RENTAL MEDIAN PRICE
Q3 2022



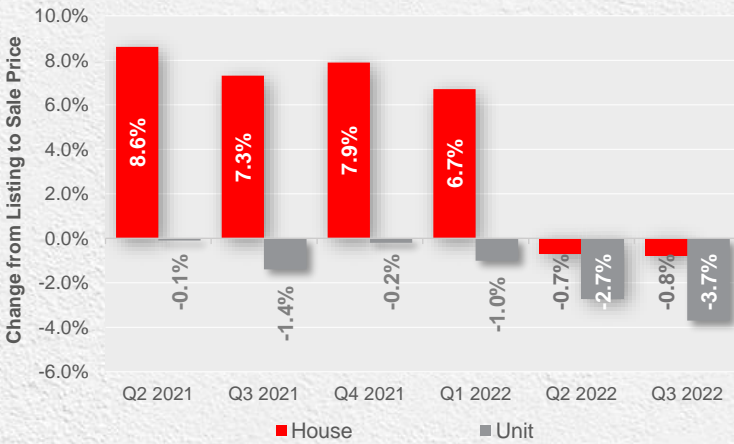
RENTAL AVERAGE DAYS ON
MARKET Q3 2022



380 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.

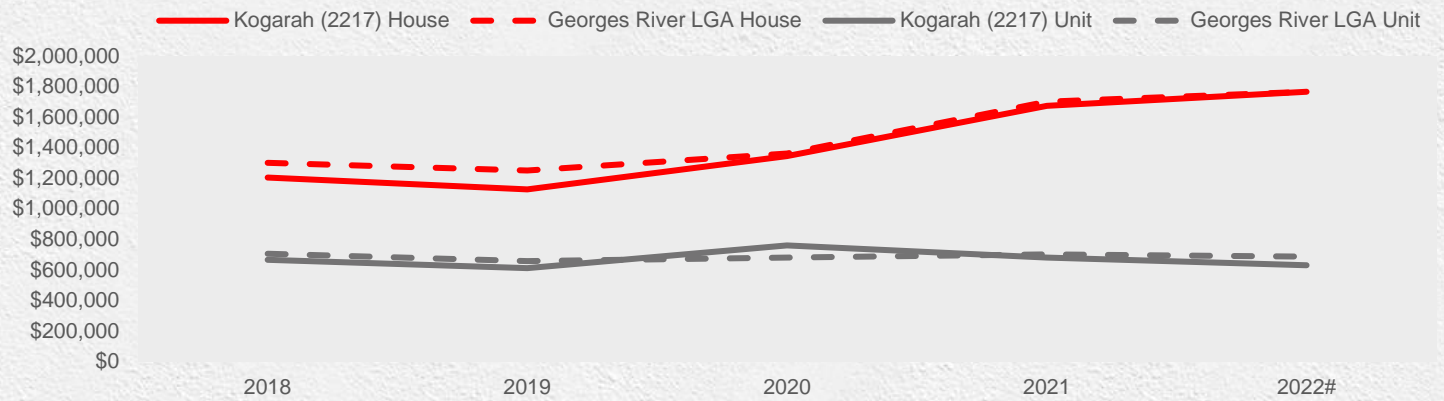


Average house vendor discount between Q3 2021 and Q3 2022 have rapidly swung to a discount of -0.8%. A discount for houses has not occurred in Kogarah* for the past 24 months, thus this creates new opportunities for first home buyers. Average unit vendor discount has widened to a larger discount of -3.7% for units, which confirms that market conditions have now shifted to favour buyers, as vendors are willing to accept below the first listing price.

The suburb of Kogarah* has historically performed on par with 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 2022# were in the premium price bracket of \$1,700,000 and above (41.1%). Units also recorded a dominant premium price point of above \$800,000 (24.3%); however this is almost equal percentage of the middle and more affordable priced markets.

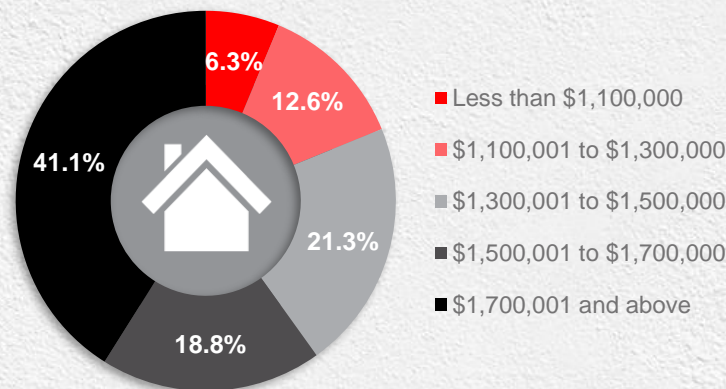
MARKET COMPARISON



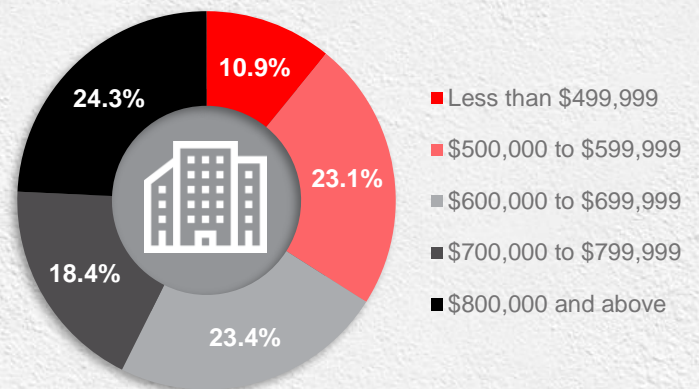
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Kogarah.

PRICE BREAKDOWN 2022#

HOUSES SOLD



UNITS SOLD



RENTAL GROWTH 2022€

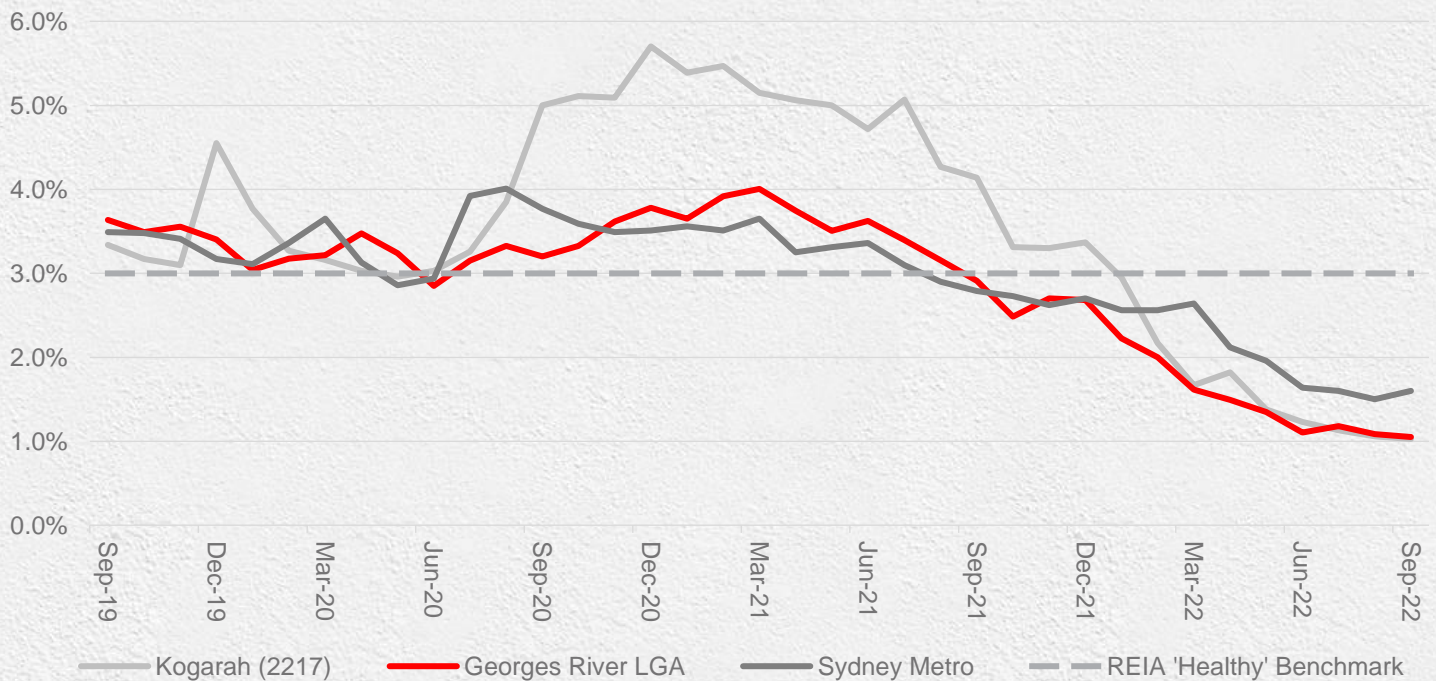
In September 2022, house rental yields in Kogarah were recorded at 2.5%. In the 12 months to Q3 2022, median house rental price grew by 12.5% to reach \$720 per week. In this time the number of houses rented grew by 18.6% and average days to let declined -19.2%. The same pattern is evident in the unit rental market, indicating high rental demand.

4+ bedroom houses have provided investors with +13.3% rental growth annually, achieving a median rent of \$850 per week.

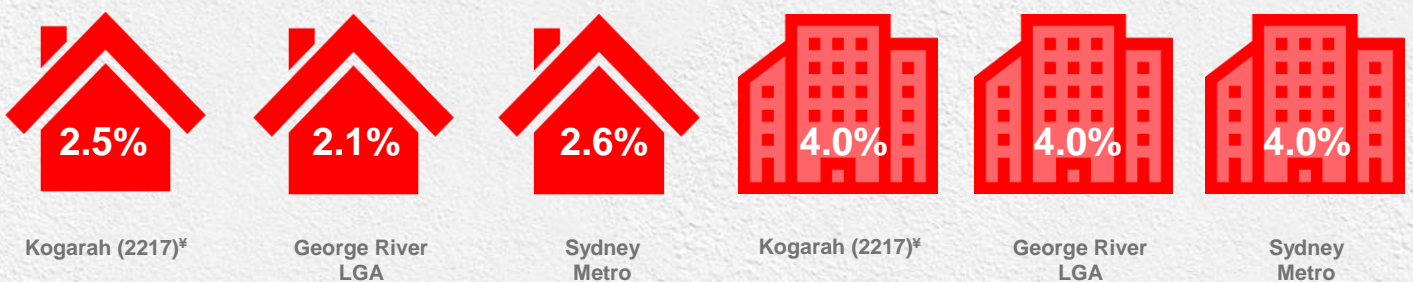
Kogarah[‡] recorded a vacancy rate of 1.0% in September 2022, which is below Sydney Metro's 1.6% average. Vacancy rates in Kogarah[‡] is at the lowest point since 2017, after being on a declining trajectory since early 2022. This indicates quicker occupancy of rental properties. Further, vacancy rates in Kogarah have remained well below the Real Estate of Institute of Australia's healthy benchmark of 3.0% for the past 10 months. Investors can be confident of a highly conducive investment environment in the area, particularly with median house price downturn in the past 6 months to Q3 2022.



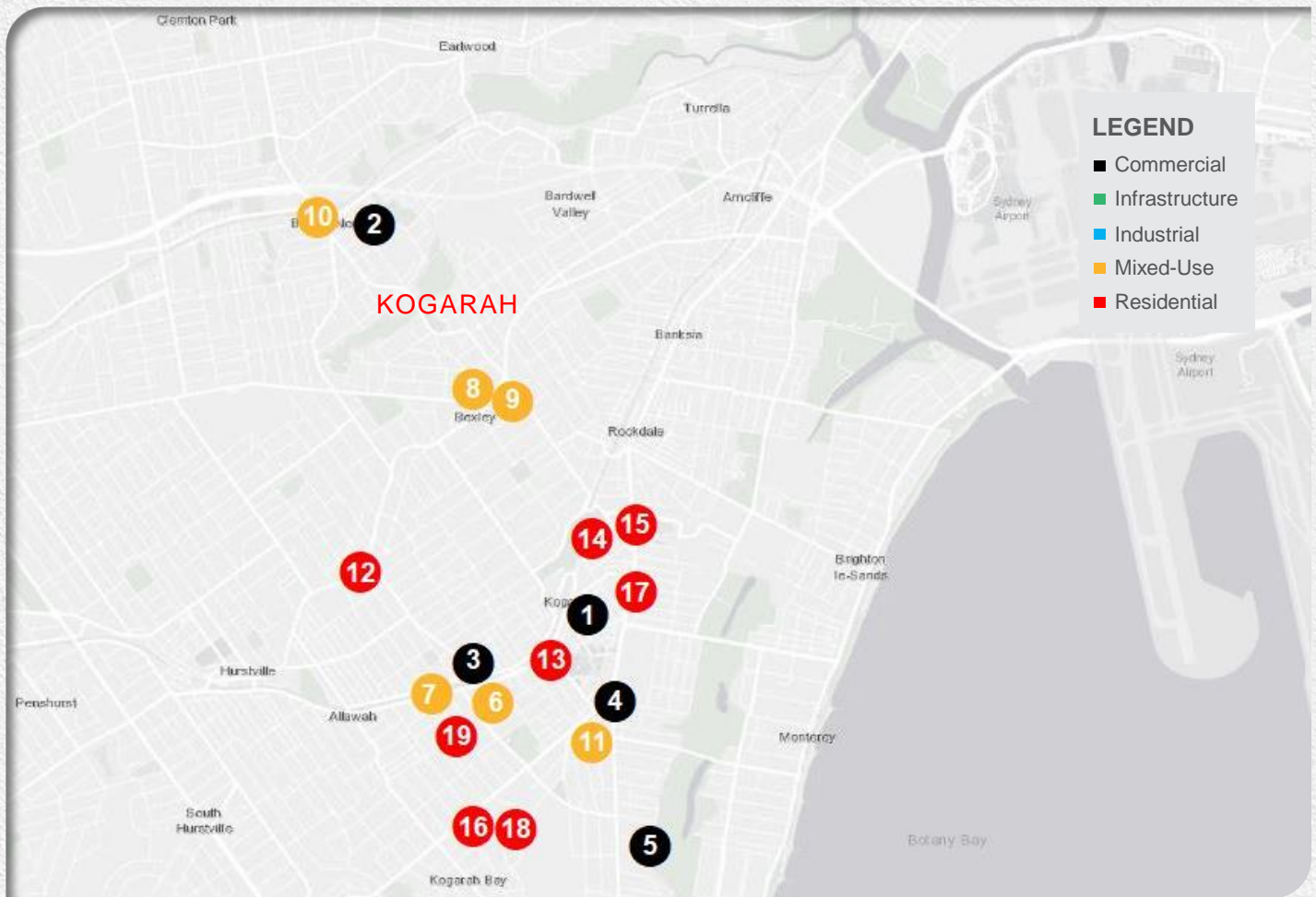
RENTAL VACANCY RATES 2022



RENTAL YIELD 2022\$



TOP DEVELOPMENTS MAP 2nd HALF 2022^A



Location	Project [£]	Type	Estimated Value [£]	Commence Date ^W
1	Delphi Bank Kogarah	Commercial	\$511,000	14/08/2022
2	Sarsfield Circuit Commercial Building	Commercial	\$744,000	14/09/2022
3	Railway Parade Development	Commercial	\$20,000,000	16/10/2022
4	Princess Highway Commercial Development	Commercial	\$18,507,000	14/12/2022
5	Production Avenue Industrial Development	Commercial	\$15,992,000	25/08/2022
6	Railway Parade Mixed Use Development Stage 1	Mixed-use	\$28,570,000	18/08/2022
7	Railway Parade Mixed Use Development 2 (23 apartments)	Mixed-use	\$8,460,000	16/11/2022
8	Kingsland Road South Mixed Use Development (20 units)	Mixed-use	\$7,390,000	11/07/2022
9	410 Forest Road Mixed Use Development (13 apartments)	Mixed-use	\$12,879,000	22/11/2022
10	Shaw Street Mixed Use Building (11 apartments)	Mixed-use	\$6,856,000	08/08/2022
11	Princes Highway Mixed Use Development (12 apartments)	Mixed-use	\$4,375,000	16/11/2022
12	662 Forest Road - Boarding House	Residential	\$550,000	07/09/2022
13	Gray Street Boarding House (57 apartments)	Residential	\$3,677,000	14/07/2022
14	Prosper Apartments (56 apartments)	Residential	\$19,780,000	04/08/2022
15	The Victoria (96 units)	Residential	\$29,840,000	07/11/2022
16	Wyuna Street Units – Bayside (64 units)	Residential	\$16,421,000	19/08/2022
17	Regent Street Residential Building (87 apartments)	Residential	\$22,360,000	02/12/2022
18	Truland Kogarah Bay (25 apartments)	Residential	\$7,790,000	21/10/2022
19	Nielsen Avenue Apartments (42 apartments)	Residential	\$10,779,000	14/11/2022



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 2022 (01/01/2022 – 30/09/2022) only.

€ Annual rental growth is a comparison between 2021 (01/01/2021 – 30/09/2021) and 2022 (01/01/2022 – 30/09/2022) house median rent figures.

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

§ Rental yields shown are as reported as of September 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, 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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