



Dapto Market Update

2nd Half 2022



OVERVIEW

In Q3 2022, Dapto* recorded a median house price of \$822,500. This is an annual (Q3 2021 – Q3 2022) 9.7% median price growth. That said, on a quarter by quarter basis (Q2 2022 – Q3 2022) median house price softened by -3.0%. Total house sales decreased annually and quarterly, with Q3 2022 recording 122 sales. The unit market recorded a 6.8% median price growth annually and 4.3% quarterly, whilst also recording lower sales. A decline or lower price growth despite undersupply of stock reflects interest rate hikes translating into the market. There are new opportunities for first home buyers.

	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 2022



SALES AVERAGE DAYS ON
MARKET Q3 2022



RENTAL MEDIAN PRICE
Q3 2022

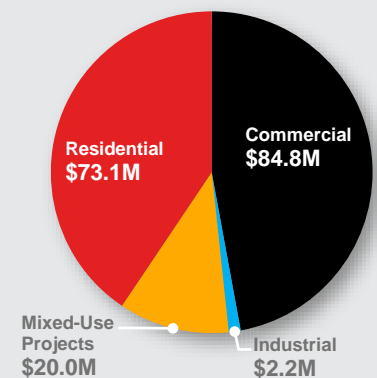


RENTAL AVERAGE DAYS ON
MARKET Q3 2022



FUTURE DEVELOPMENTS

Dapto is set to see approximately **\$180.0M** worth of new projects commencing in the 2nd half of 2022.



A focus on 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 Illawarra International Health Precinct (\$70.0M). The project involves the construction of the 12,000sqm medical precinct. This improves the liveability of residents and creates new jobs in the area.

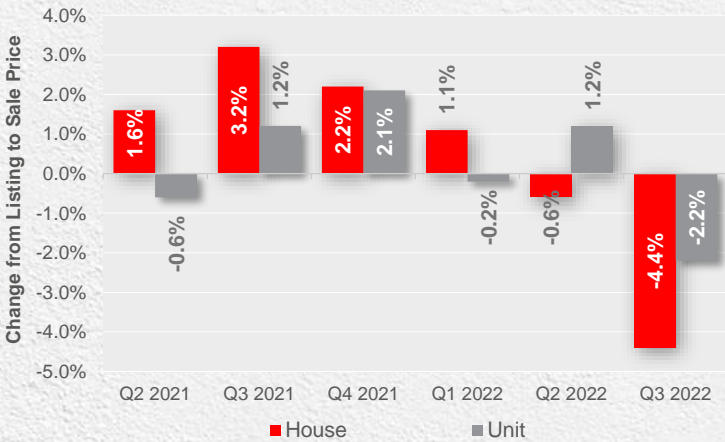
A significant mixed-use project planned for the 2nd half of 2022, is the Princes Highway Development (\$20M). This project will build 52 apartments and 3 commercial areas.

The Byamee Street Residential Development (\$49.3M) is a key residential project that is set to add 159 apartments. Other projects include Avondale Road Townhouses (\$23.0M, 92 townhouses) and 69 Marshall Street Townhouses (\$750K, 32 townhouses).



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.

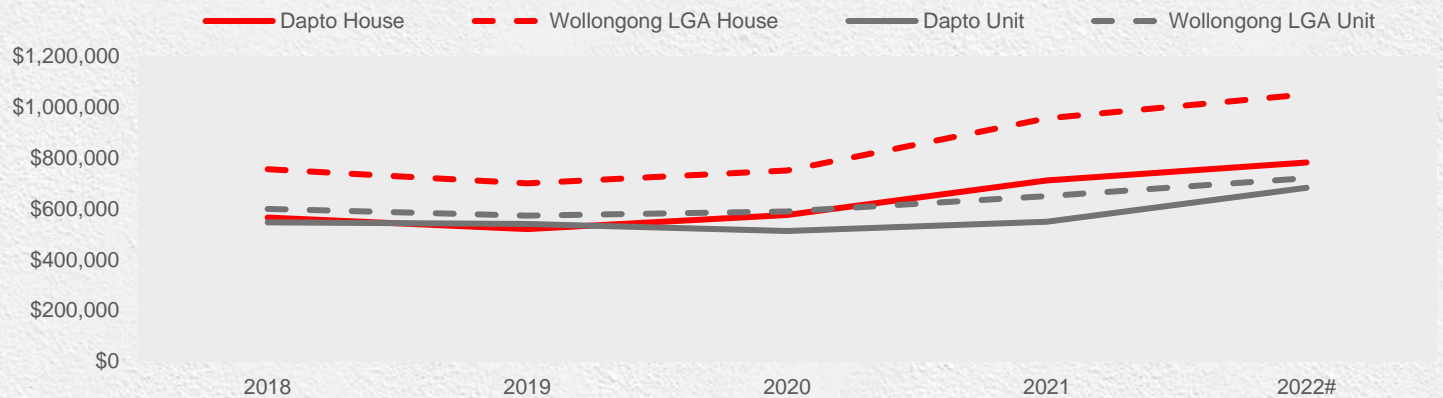


Average vendor discounts between Q3 2021 and Q3 2022 have rapidly swung to a discount for both property types, of -4.4% (house) and -2.2% (units). This in contrast compared to 6 to 12 months prior, where a premium was the market norm. Market conditions in Dapto have now shifted to favour buyers, as vendors are willing to accept below the first listing price.

The suburb of Dapto has historically provided a more affordable market compared to the wider Woollongong Local Government Area (LGA), in both house and unit median prices. This continued to be the case in 2022#, with a larger gap between house and unit prices.

The dominant proportion of homes sold in Dapto* across 2022# were in the premium market of above \$900,000 (36.7%). Meanwhile units recorded a dominant mid-priced point of \$650,000 to \$700,000 (51.7%). Interestingly there is almost equal opportunity in the premium, mid-market, and affordable pricing for units, thus creating a wider net for first home buyers.

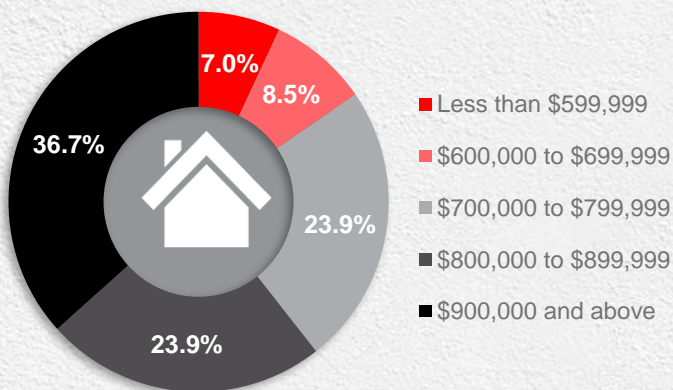
MARKET COMPARISON



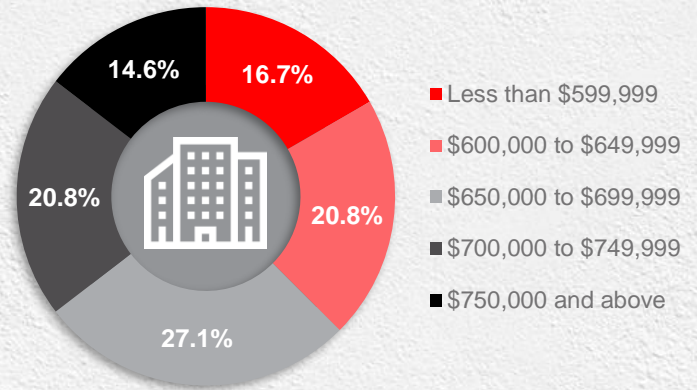
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Dapto.

PRICE BREAKDOWN 2022#

HOUSES SOLD



UNITS SOLD



RENTAL GROWTH 2022€

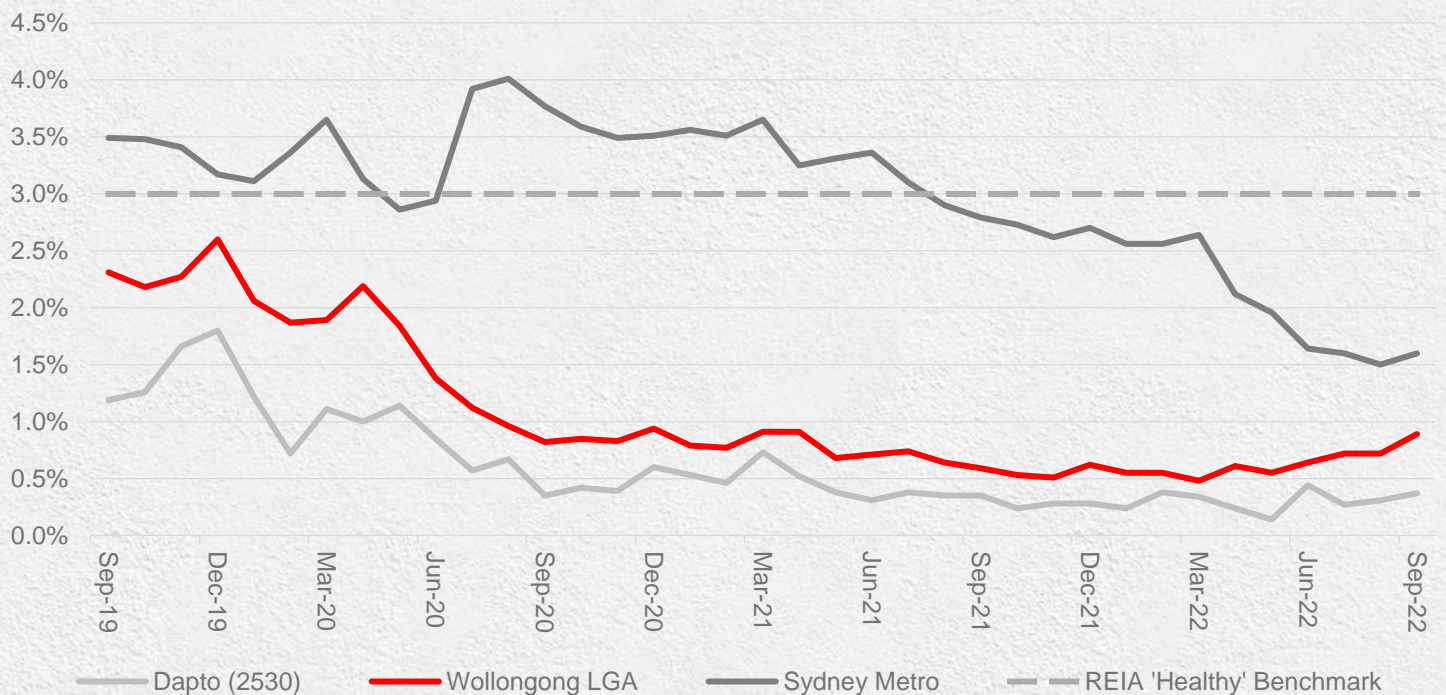
In September 2022, house rental yields in Dapto* were recorded at 4.0%. In the 12 months to Q3 2022, median house rental price grew significantly, by 9.1% to reach \$600 per week. In this time the number of houses rented grew by 36.6% and average days to let remained low at 15 days. The same pattern is evident in the unit rental market. Overall this represents a resilient rental market in Dapto*, which has a more affordable investment entry price compared to Sydney Metro.

3 bedroom houses have provided investors with +12.2% rental growth annually, achieving a median rent of \$550 per week.

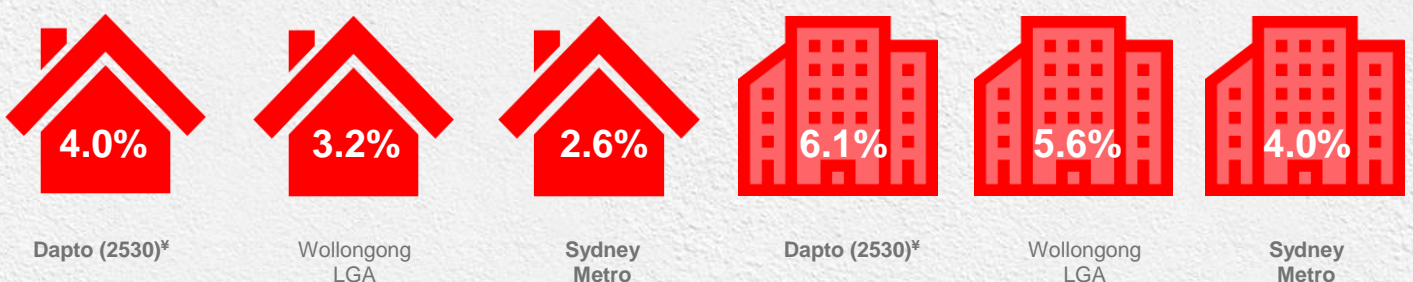
Dapto* recorded a vacancy rate of 0.4% in September 2022, which is well below Sydney Metro's 1.6% average. Vacancy rates in Dapto* have held steady over the past 18 months, sitting within the 0.5% rate band. This is well below the Real Estate Institute of Australia's healthy benchmark of 3.0%, indicating quicker rental occupancy. These key indicators create a conducive and sustainable environment for investors, particularly with a median property price downturn in Q2-Q3 2022.



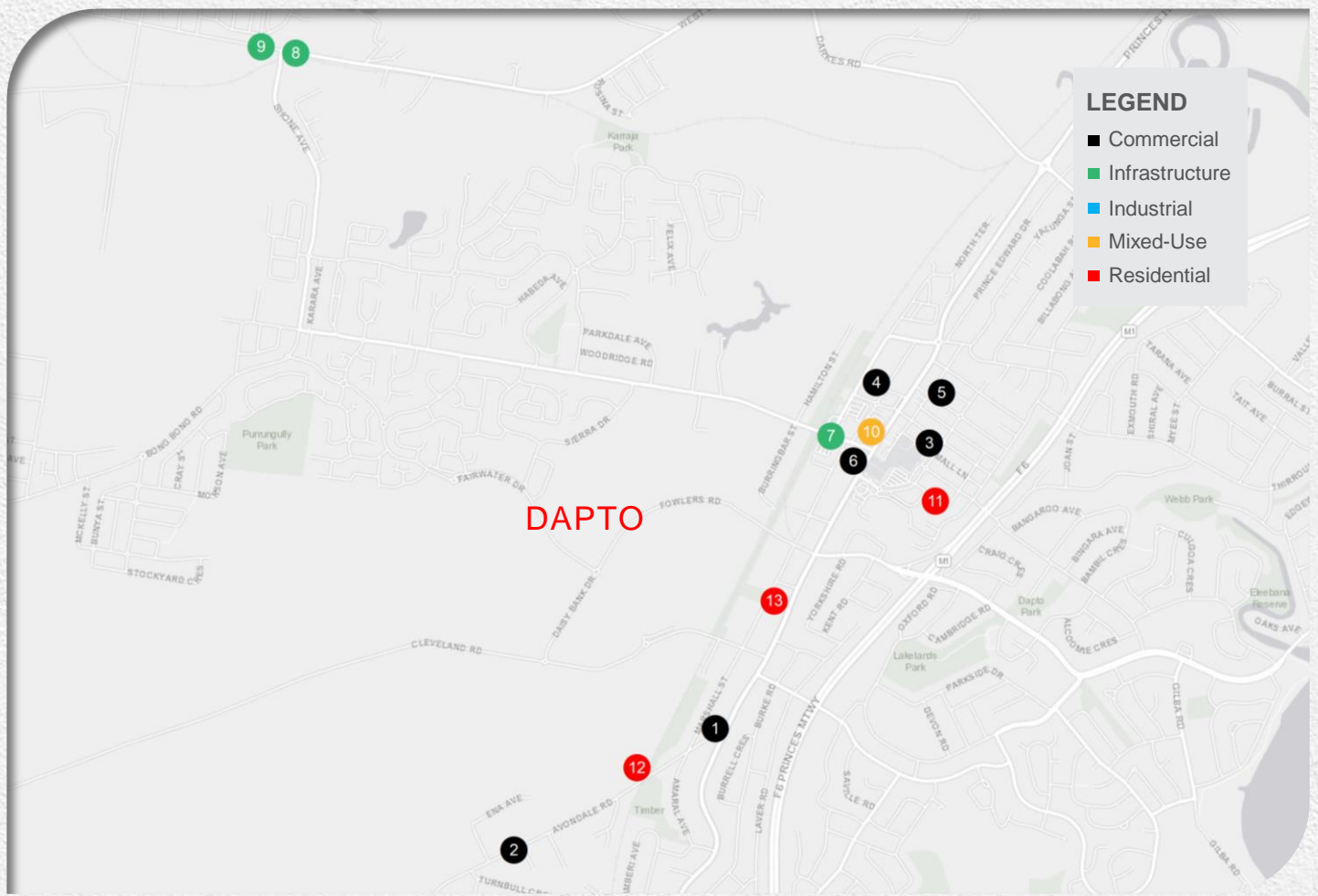
RENTAL VACANCY RATES 2022



RENTAL YIELD 2022\$



TOP DEVELOPMENTS MAP 2nd HALF 2022^A



Location	Project [£]	Type	Estimated Value [£]	Commence Date ^ψ
1	Illawarra International Health Precinct - Specialist & Surgicentre	Commercial	\$70,000,000	03/10/2022
2	Illawarra International Health Precinct - Seniors Accommodation	Commercial	\$11,000,000	03/10/2022
3	35 Baan Baan Street S&a Dental	Commercial	\$1,900,000	15/12/2022
4	Aldi Dapto	Commercial	\$1,500,000	16/11/2022
5	40 Jerematta Street Medical Centre	Commercial	\$200,000	10/08/2022
6	1-11 Bong Bong Road Medical Centre Greater Health Group	Commercial	\$200,000	25/08/2022
7	Bong Bong Road & Station Street Intersection	Infrastructure	\$1,000,000	28/10/2022
8	West Dapto Road Roadworks	Infrastructure	\$700,000	01/10/2022
9	Wongawilli Road Culvert	Infrastructure	\$450,000	26/07/2022
10	Princes Highway Mixed Use Development (52 apartments)	Mixed-use	\$20,000,000	15/11/2022
11	Byamee Street Residential Development (159 apartments)	Residential	\$49,300,000	11/12/2022
12	Avondale Road Townhouses (92 townhouses)	Residential	\$23,000,000	05/09/2022
13	69 Marshall Street Townhouses (3 townhouses)	Residential	\$750,000	21/12/2022



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 suburbs 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 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.

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

§ 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 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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