



# Oatley Market Update

## 1<sup>st</sup> Half 2023



### OVERVIEW

In Q1 2023, Oatley\* recorded a median house price of \$1,700,000, and a median unit price of \$580,000. This represents annual (Q1 2022 – Q1 2023) median price softening of -6.9% for houses and a price softening of -12.8% for units. Quarterly (Q4 2022 – Q1 2023) however median house price grew by 1.2%. This suggests cash rate hikes did translate into the market, however consumer confidence have returned. House sales did decline in the past 12 months, by -18.8%, thus an undersupply is evident. For those looking for a more affordable market, especially houses, time is of the essence

	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 2023



SALES AVERAGE DAYS ON  
MARKET Q1 2023



RENTAL MEDIAN PRICE  
Q1 2023

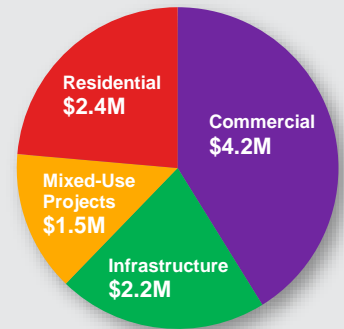


RENTAL AVERAGE DAYS ON  
MARKET Q1 2023



### FUTURE DEVELOPMENTS

Oatley\* is set to see approximately **\$10.3M** worth of new projects commencing in 2023.



These projects will stimulate economic growth and create large employment opportunities in Oatley, which should have a positive spill-over impact on the real estate market.

A main commercial project over the 1<sup>st</sup> half of 2023 is 48 Oxford Street Boarding House (\$3.4M). This includes demolition of the existing structures and construction a part 3 and part 4 story boarding house.

There are two key projects that will deliver property stock:

- The 14-16 George Street - Mortdale – Apartments (8 units)
- 18a Letitia Street Shop Top Housing (2 dwellings)

Although there is additional property stock, key sales indicators suggests that this is not enough. In the current cash rate environment there is a higher chance for existing stock to be absorbed, but this is not a long term solution. Already consumer confidence is returning, thus an absence in ready to sell supply will put more pressure on prices.



8 Units/  
Apartments



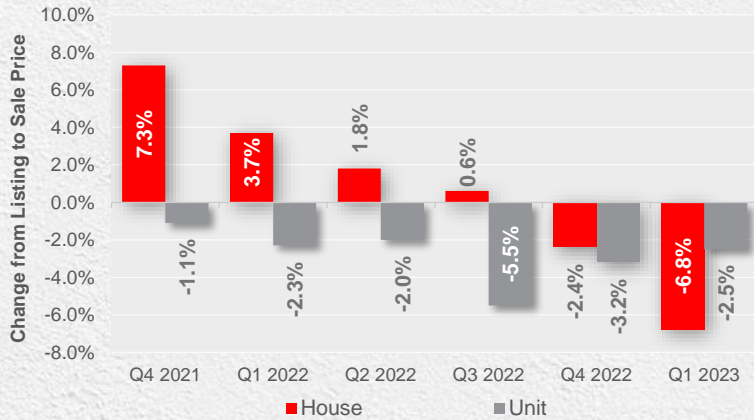
Dwellings



# 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.

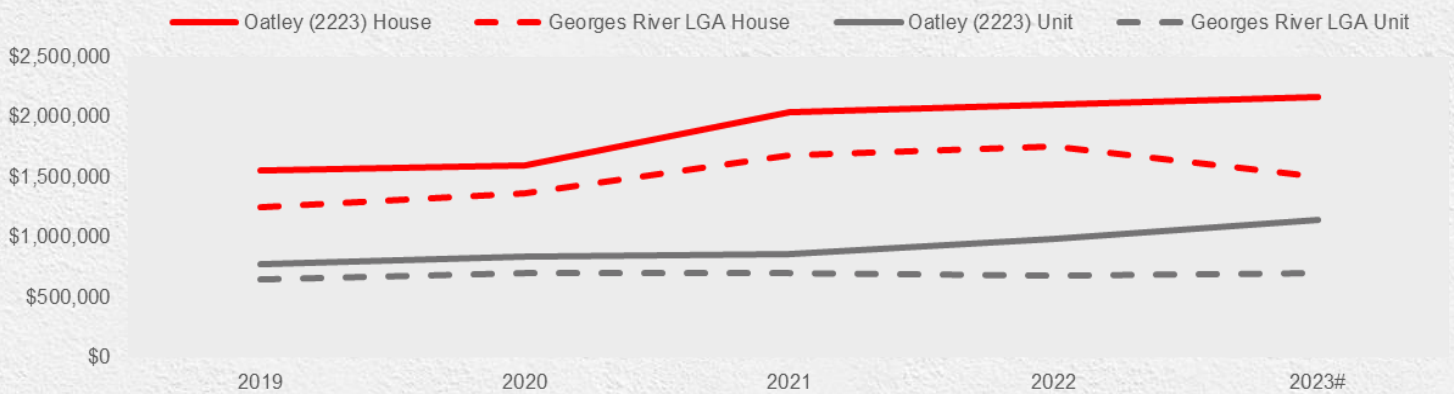
Average vendor discounts between Q1 2022 and Q1 2023 have rapidly swung to a discount of -6.8% for houses, and widened to a higher discount of -2.5% for units. Market conditions in Oatley\* have now shifted to favour buyers, with Q1 2023 recording the highest average house vendor discount in the past 6 quarters.



The suburb of Oatley has historically outperformed the wider Georges River Local Government Area (LGA) in both house and unit median prices. Early 2023# saw this trend continue, even with Oatley suburb median house price growing at a slower pace. Interestingly unit prices increased for the suburb of Oatley, whilst they remained steady for Georges River LGA.

The dominant proportion of homes sold in Oatley\* across 2022/23# were in the premium price bracket of \$1,800,000 and above (49.4%). Units in contrast had a dominant most affordable price bracket of less than \$599,999 (40.1%). Affordable options have become more available, in good news for first home buyers.

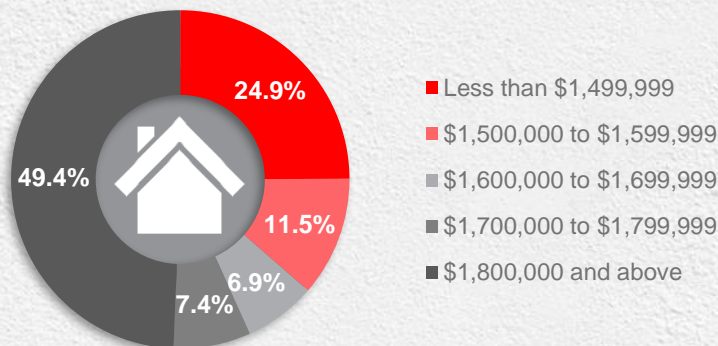
## MARKET COMPARISON



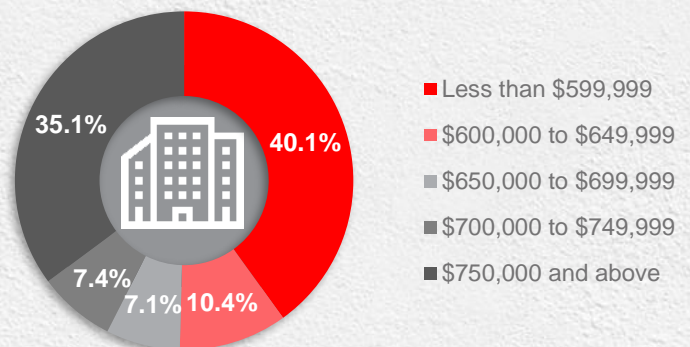
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Oatley.

## PRICE BREAKDOWN 2022/23#

### HOUSES SOLD



### UNITS SOLD





# RENTAL GROWTH 2023€

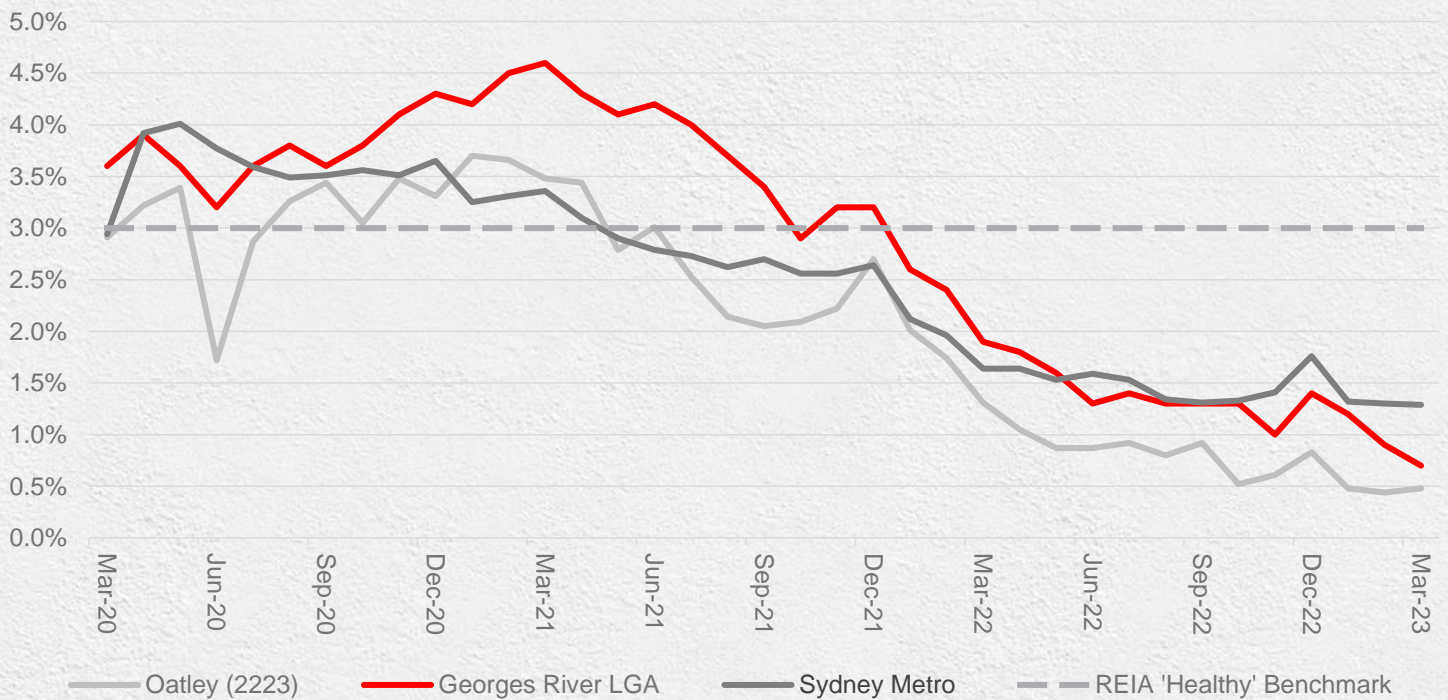
House rental yields in Oatley\* was 2.5% in March 2023, slightly below Sydney Metro (2.9%). That said, median house rent price increased by 8.1% (to \$850 per week) in the past 12 months to Q1 2023 and the number of houses rented declined by -20.0%; indicating an undersupply. Average days to let remained a low 17 days. The same pattern can be seen in the unit rental market, thus confirming a resilient rental market in Oatley\*.

4+ bedroom houses have provided investors with +25.0% rental growth annually, achieving a median rent of \$950 per week.

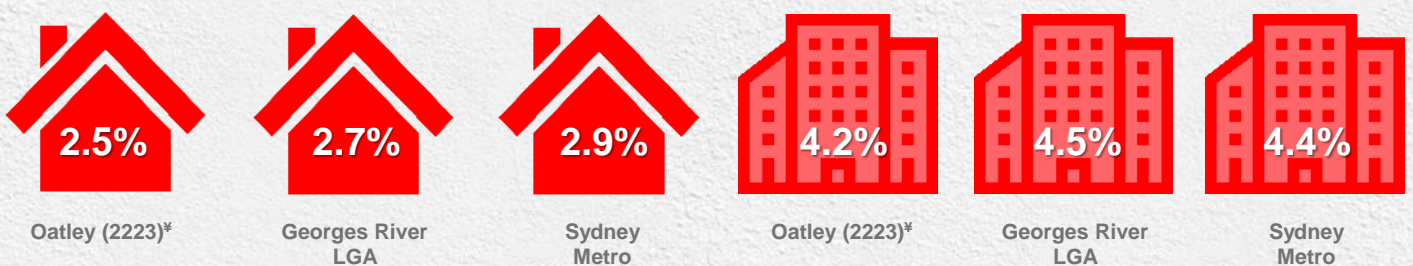
Oatley\* recorded a vacancy rate of 0.5% in March 2022, which is below Sydney Metro's 1.3% average. Vacancy rates in Oatley\* have continued to decline in the past 12 months, bringing it to a historical low. This indicates an increase in rental demand. These key indicators create a conducive and sustainable environment for investors, even if consumer confidence has returned to the market and median house prices have started to normalise in the past quarter (Q4 2022 – Q1 2023).



# RENTAL VACANCY RATES 2023

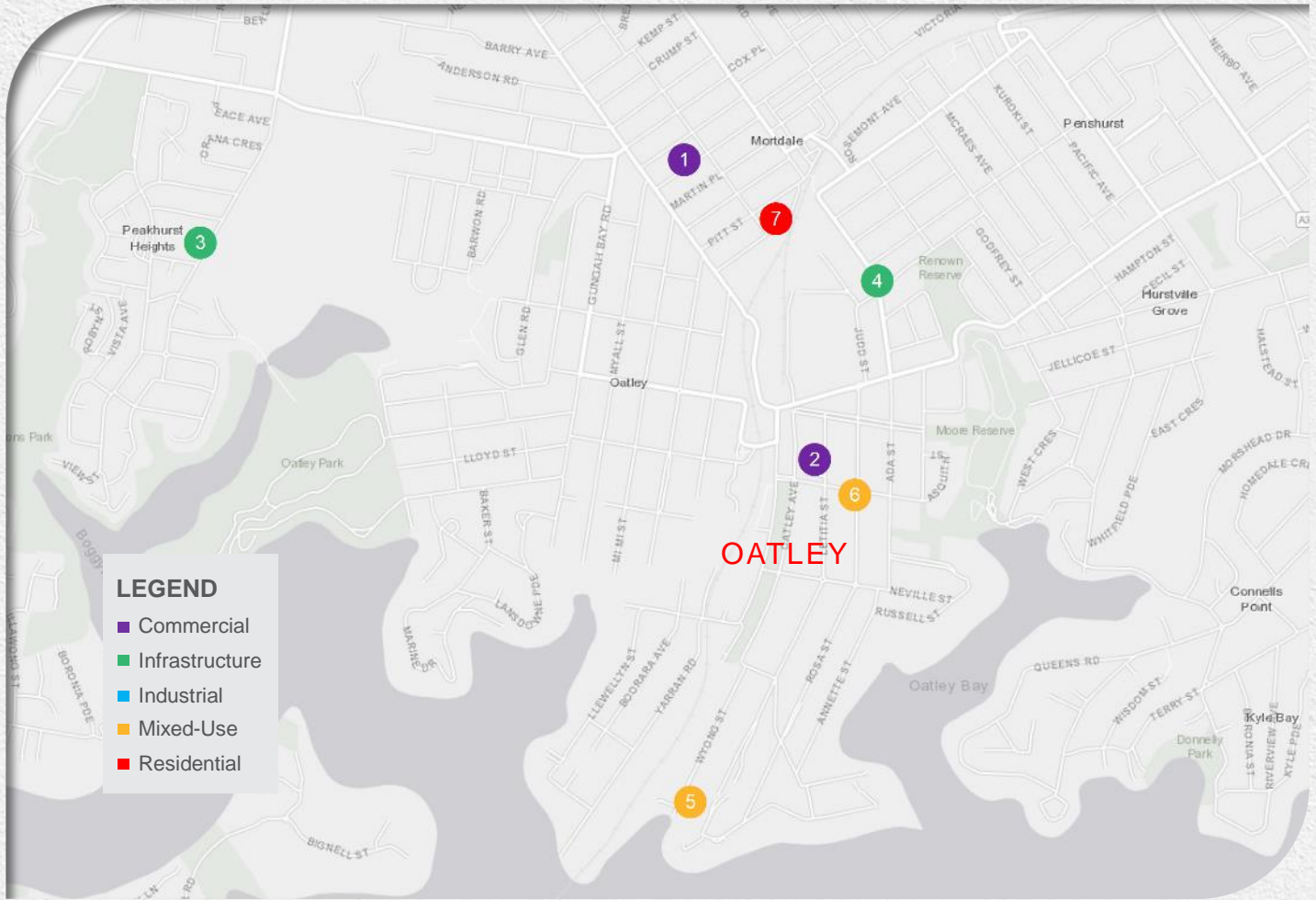


# RENTAL YIELD 2023\$





# TOP DEVELOPMENTS MAP 2023<sup>▲</sup>



Location	Project <sup>£</sup>	Type	Estimated Value <sup>Ⓜ</sup>	Commence Date <sup>Ⓜ</sup>
1	48 Oxford Street Boarding House	Commercial	\$3,440,000	04/04/2023
2	Oatley Masonic Centre	Commercial	\$804,000	03/07/2023
3	Peakhurst South Public School Groundworks	Infrastructure	\$1,097,000	23/01/2023
4	Mortdale Public School Paving	Infrastructure	\$1,074,000	23/01/2023
5	Greg Walsh & Co Lawyers (1 Dwelling)	Mixed-use	\$730,000	04/09/2023
6	18a Letitia Street Shop Top Housing (2 Dwellings)	Mixed-use	\$730,000	16/11/2023
7	14-16 George Street - Mortdale – Apartments (8 Units)	Residential	\$2,434,000	20/09/2023



## 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

\* Oatley market data and key indicators encapsulates aggregate property market conditions within the suburbs of Mortdale, Oatley, Hurstville Grove, and Penhurst, Lugarno, Peakhurst Heights.

\*\* Estimated values are based on construction value provided by the relevant data authority and does not reflect commercial and/or re-sale value.

# 2023 encapsulates sales transactions for Quarter 1 (01/01/2023 – 31/3/2023) only.

€ Annual rental growth is a comparison between Quarter 1 2022 (01/01/2022 – 31/3/2022) and Quarter 1 2023 (01/01/2023 – 31/3/2023) house median rent figures.

¥ Oatley rental market data encapsulates aggregate property conditions within the postcode of 2223.

§ Rental yields shown are as reported as of March 2023.

⌘ 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 Mortdale, Oatley, Hurstville Grove, Penhurst, Lugarno and Peakhurst Heights.

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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