



Kingsgrove Market Update

1st Half 2023



OVERVIEW

In Q1 2023, Kingsgrove* recorded a median house price of \$1,475,000, and a median unit price of \$666,000. This represents annual (Q1 2022 – Q1 2023) median price softening of -6.3% for houses and a median price growth of 0.9% for units. However on a quarterly basis (Q4 2022 – Q1 2023) median house price grew by 4.4%. Thus whilst cash rate hikes did translate into the market, consumer confidence has returned. House sales declined by -8.8% in the past 12 months, thus recent price growth is due to an undersupply of stock. For those looking for a more affordable house market, 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

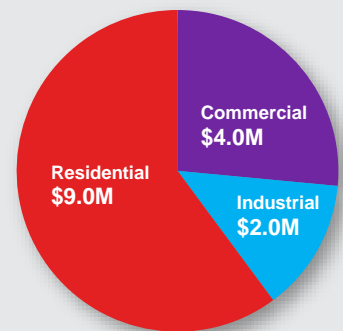


RENTAL AVERAGE DAYS ON
MARKET Q1 2023



FUTURE DEVELOPMENTS

Kingsgrove is set to see approximately **\$15.0M** worth of new projects commencing in the 1st half of 2023.



A focus on residential projects is ideal for the area, due to the current undersupply of stock. This will add more properties to the area and assist with answering high demand.

There is only one key residential project planned for the 1st half of 2023, which is Canterbury Road Units. The project will add a 5 storey residential building to comprise 35 x 2 bedrooms & 4 x 1 bedroom units.

New ready-to-sell units will assist with current undersupply, however only for certain types of buyers and demographics.

At present, the increasing cash rate environment allow for listed house stock to be absorbed by the market. However the future there is still a reliance on owners selling due to a deficit in ready-to-sell new houses. This will put pressure on prices, so any downturn in the market will only be temporary in nature.

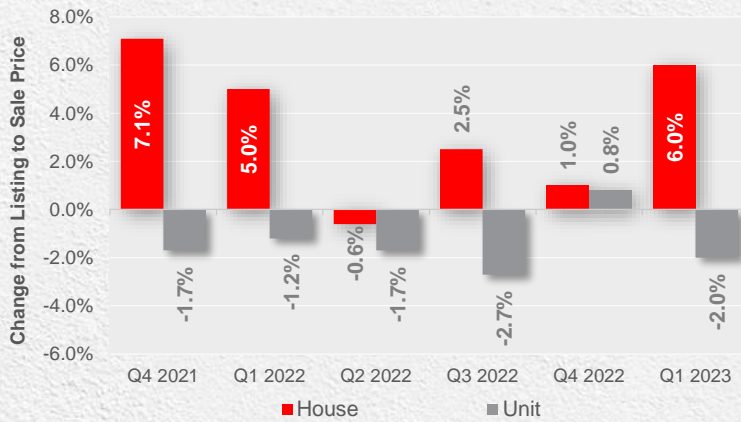


39 Units/
Apartments

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.

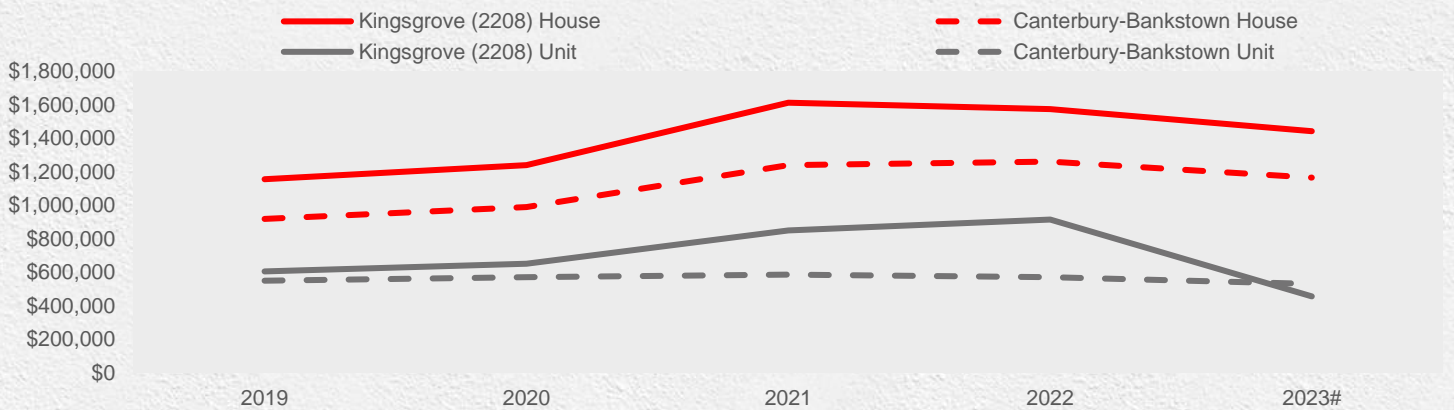
Average vendor discounts between Q1 2022 and Q1 2023 for houses have increased to a higher premium of 6.0% (from 5.0%), and in contrast widened to a higher discount of -2.0% (from -1.2%). House sellers can now achieve a final price above the first list price, similar to 12 months ago. Thus the house market has seen a return to pre-cash rate hike market conditions.



The suburb of Kingsgrove has historically outperformed the wider Canterbury-Bankstown Local Government Area (LGA) in both house and unit median prices. Early 2023[#] saw houses continue this trend, however units have become more affordable than the LGA.

The dominant proportion of homes sold in Kingsgrove* across 2022/23[#] were in the most affordable price point of less than \$1,400,000 (38.0%). Interestingly units sales were mostly in the premium market price point of \$1,150,000 and above (38.0%). Unique opportunities exists for buyers and sellers, as there is almost equal activity in the premium and affordable price points.

MARKET COMPARISON

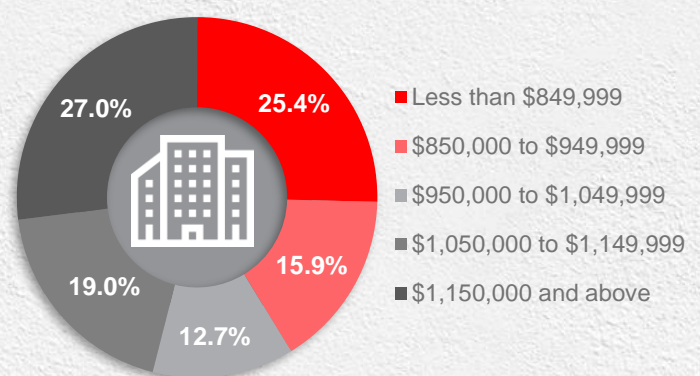
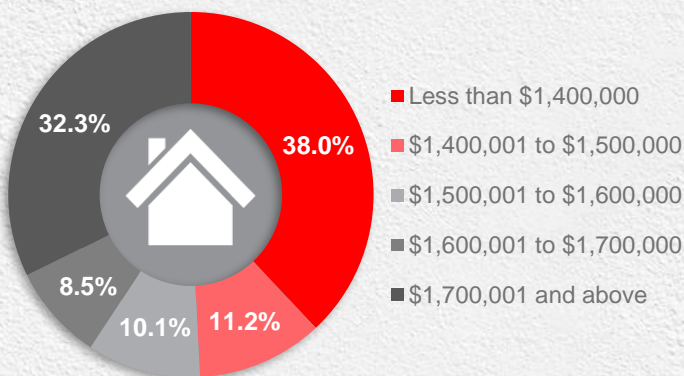


The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Kingsgrove.

PRICE BREAKDOWN 2022/23[#]

HOUSES SOLD

UNITS SOLD

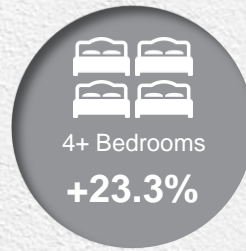
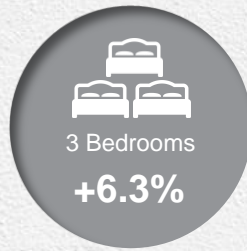


RENTAL GROWTH 2022€

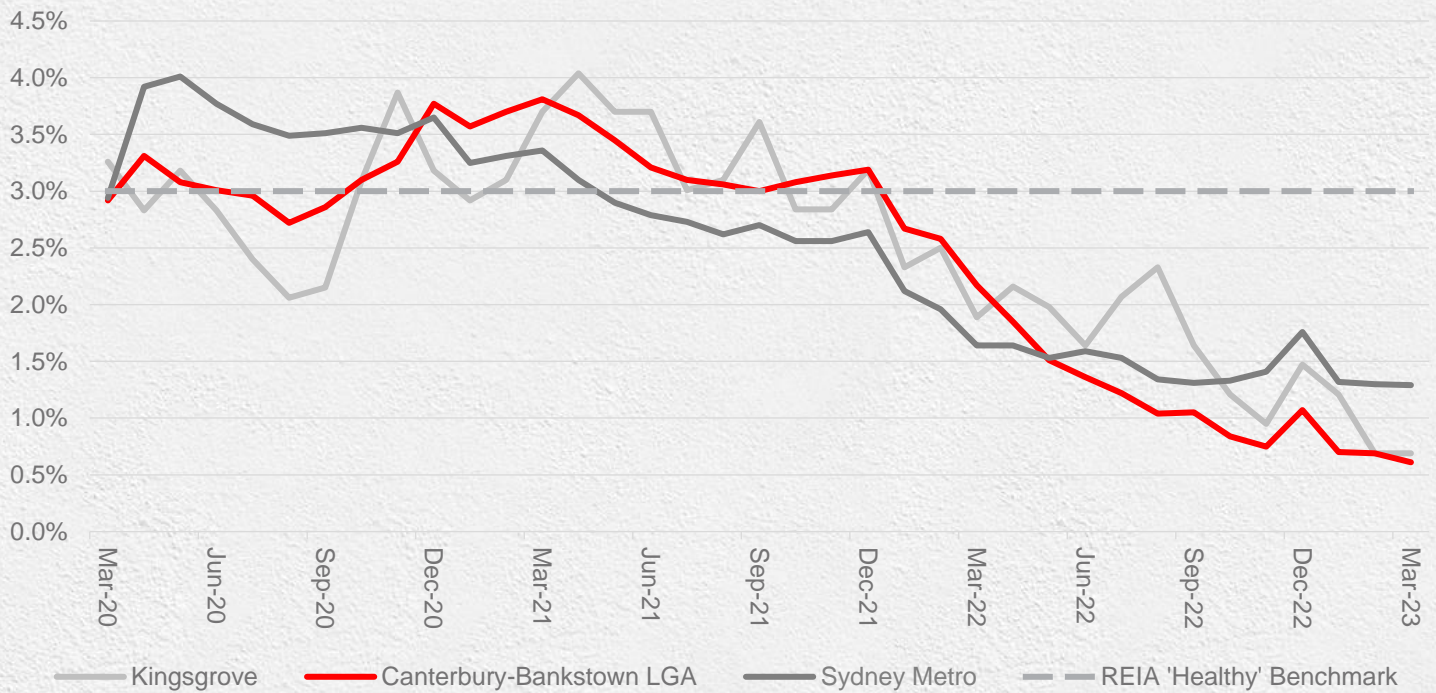
House rental yields in Kingsgrove[‡] was 2.7% in March 2023, slightly below Sydney Metro (2.9%). That said median house rental price increased by 26.8% (to \$780 per week) in the past 12 months to Q1 2023, and a -0.6% decrease in the number of house rented (to -0.6%); indicating an undersupply. Average days on the market remained at a low 22 days. The same pattern can be seen in the unit rental market, thus confirming a resilient rental market in Kingsgrove[‡].

4+ bedroom houses have provided investors with +23.3% rental growth annually, achieving a median rent of \$925 per week.

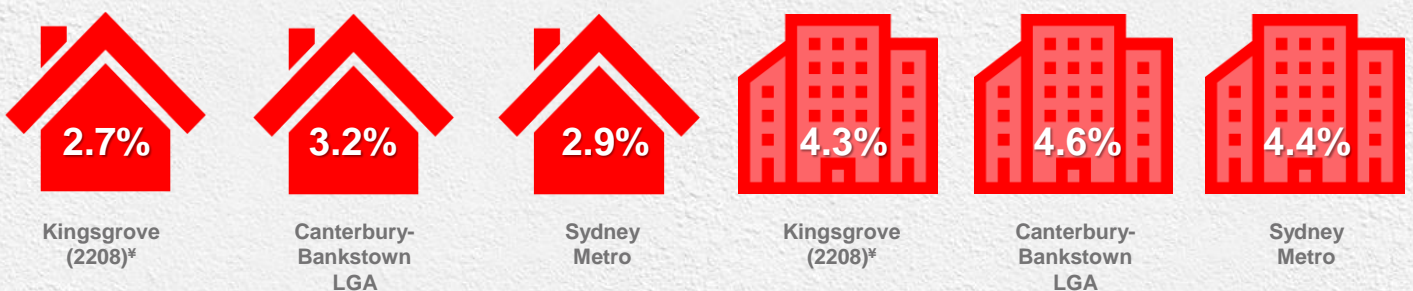
Kingsgrove[‡] recorded a vacancy rate of 0.7% in March 2023, below Sydney Metro's 1.3% average. This indicates quicker occupancy rates. Vacancy rates in Kingsgrove[‡] have declined for the past 18 months, sitting well below the Real Estate Institute of Australia's healthy benchmark of 3.0% and currently at a historical low. This creates a conducive and sustainable environment for investors, even if median house prices have started to normalise in the past quarter (Q4 2022 – Q1 2023).



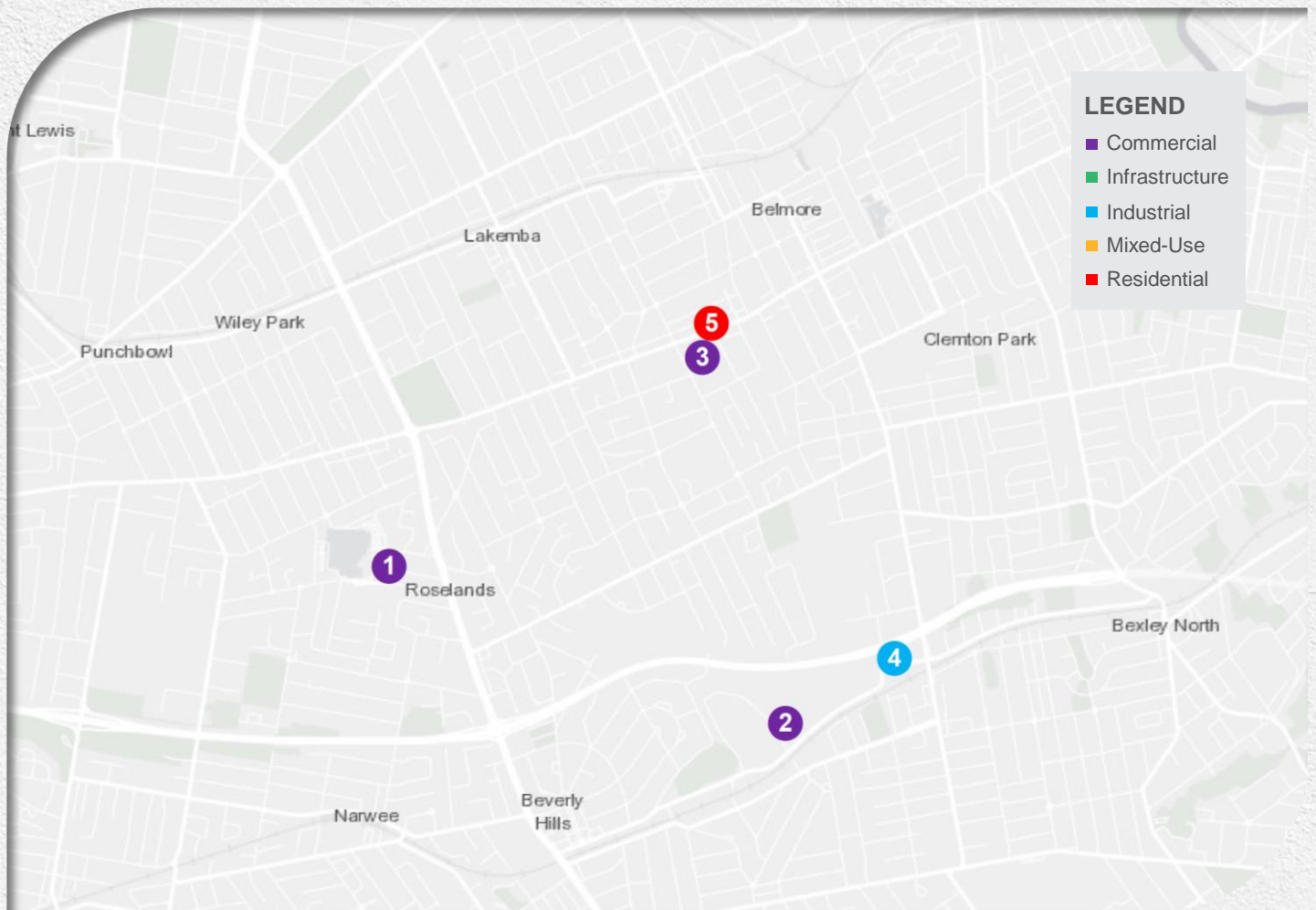
RENTAL VACANCY RATES 2023



RENTAL YIELD 2023\$



TOP DEVELOPMENTS MAP 1st HALF 2023^A



Location	Project [£]	Type	Estimated Value [¥]	Commence Date ^ψ
1	23 Roseland Avenue Lantern Club Alterations & Additions	Commercial	\$2,885,000	11/06/2023
2	The Crescent Industrial Development	Commercial	\$886,000	05/06/2023
3	Allegra Avenue & Jindalee Place Drainage Works	Commercial	\$194,000	16/01/2023
4	14 Commercial Road Warehouse	Industrial	\$2,000,000	25/01/2023
5	773 - 777 Canterbury Road – Units (39 units)	Residential	\$9,000,000	01/06/2023

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

* Kingsgrove market data and key indicators encapsulates aggregate property market conditions within the suburbs of Kingsgrove, Roselands, Earlwood, Beverly Hills, Belmore and Clemton Park.

** 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.

¥ Kingsgrove rental market data encapsulates aggregate property conditions within the postcode of 2208.

§ 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 Kingsgrove, Roselands, Earlwood, and Beverly Hills, Belmore and Clemton Park.

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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