

Dapto Market Update

1st Half 2023



OVERVIEW

In Q1 2023, Dapto* recorded a median house price of \$782,500, and a median unit price of \$610,000. This represents annual (Q1 2022 – Q1 2023) median price softening of -3.8% for houses and -11.6% for units. That said, on a quarterly basis (Q4 2022 – Q1 2023) median house price grew by 0.3% and median unit price declined at a slower rate of -4.3%. Thus cash rate hikes did translate into the market, but consumer confidence have returned. In the past 12 months sales declined by -2.6% (house), thus an undersupply is evident. For those looking for a more affordable market, time is of the essence.

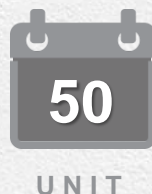
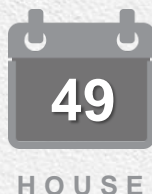
	CHANGE FROM LAST	YEAR	HALF YEAR
	House Sales	↓	↓
	House Median Price	↓	↓
	House Rental Price	↔	↓
	Unit Sales	↑	↓
	Unit Median Price	↓	↓
	Unit Rental Price	↓	↓

MARKET CONDITIONS

SALES MEDIAN PRICE
Q1 2023



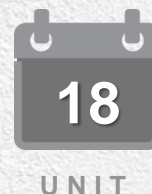
SALES AVERAGE DAYS ON
MARKET Q1 2023



RENTAL MEDIAN PRICE
Q1 2023

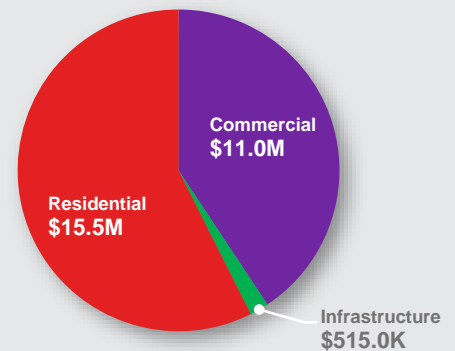


RENTAL AVERAGE DAYS ON
MARKET Q1 2023



FUTURE DEVELOPMENTS

Dapto is set to see approximately **\$27.0M** worth of new projects commencing in the 1st half of 2023.



A focus on residential projects is key for Dapto, due to the increasing housing demand. Commercial projects will add to the business and economic growth of Dapto, which create local jobs for residents.

A key commercial project for the 1st half of 2023 is Illawarra International Health Precinct – Seniors Accommodation. This project will construct a 2 storey development accommodating 44 self care units.

There are three residential projects planned in the 1st half of 2023:.

- Bong Bong & Cleveland Roads (187 lots)
- Shone Avenue & West Dapto Road (114 lots)
- Greenview Estate Horsley (45 lots)

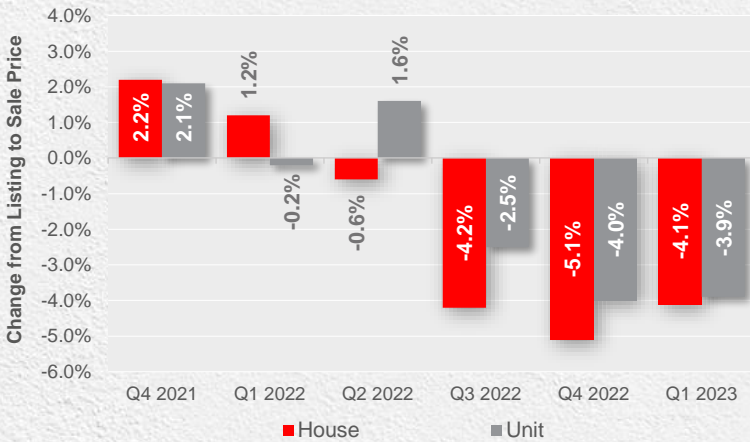
With an absence in ready-to-sell stock the market is undersupplied. Land lots does allow for buyers to build, however at present there high costs and delays. With consumer confidence returning, this puts a lot of pressure on prices.



346 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.

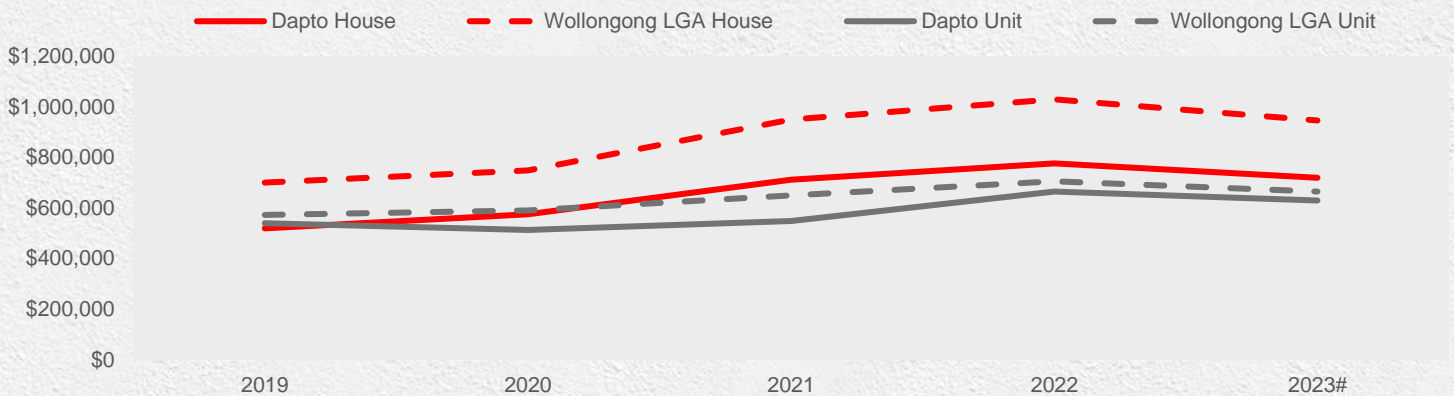


Average vendor discounts between Q1 2022 and Q1 2023 have swung from a premium of 1.2% to a discount of -4.1% for houses. Units have shifted to a higher discount, of -3.9%. Market conditions favour buyers, as sellers are willing to accept below the first listing price. That said average vendor discounts have stabilised in the past quarter, thus time is of the essence for buyers.

The suburb of Dapto has historically offered greater value when compared to the wider Wollongong Local Government Area (LGA) in house and unit median prices. This is still the case in 2023[#], especially with a softer market in the past 12 months.

The dominant proportion of homes sold in Dapto* across 2022/23[#] were in the premium price bracket of \$900,000 and above (31.6%). Similarly, units recorded a dominant upper-mid price point of \$650,000 to \$749,999 (38.6%). That said options for first home buyers have increased, with 23.4% (house) and 19.3% (units) of sales in the more affordable price points.

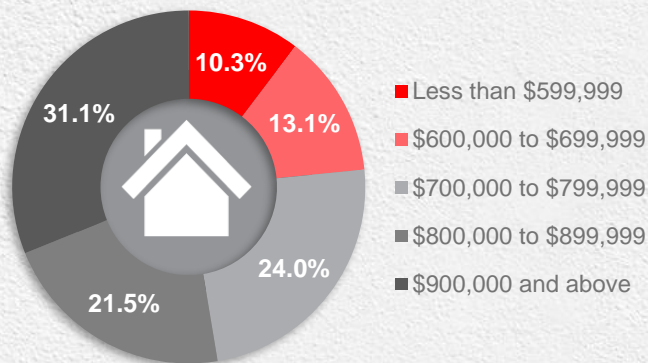
MARKET COMPARISON



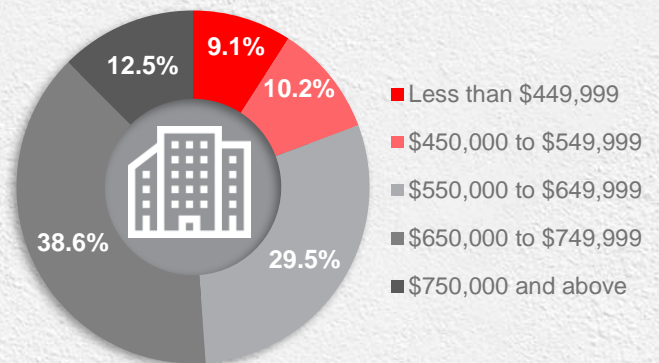
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Dapto.

PRICE BREAKDOWN 2022/23[#]

HOUSES SOLD



UNITS SOLD

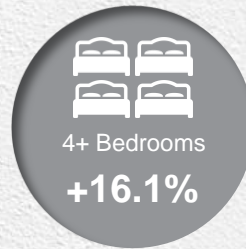
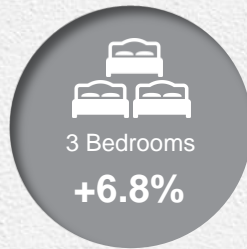


RENTAL GROWTH 2023€

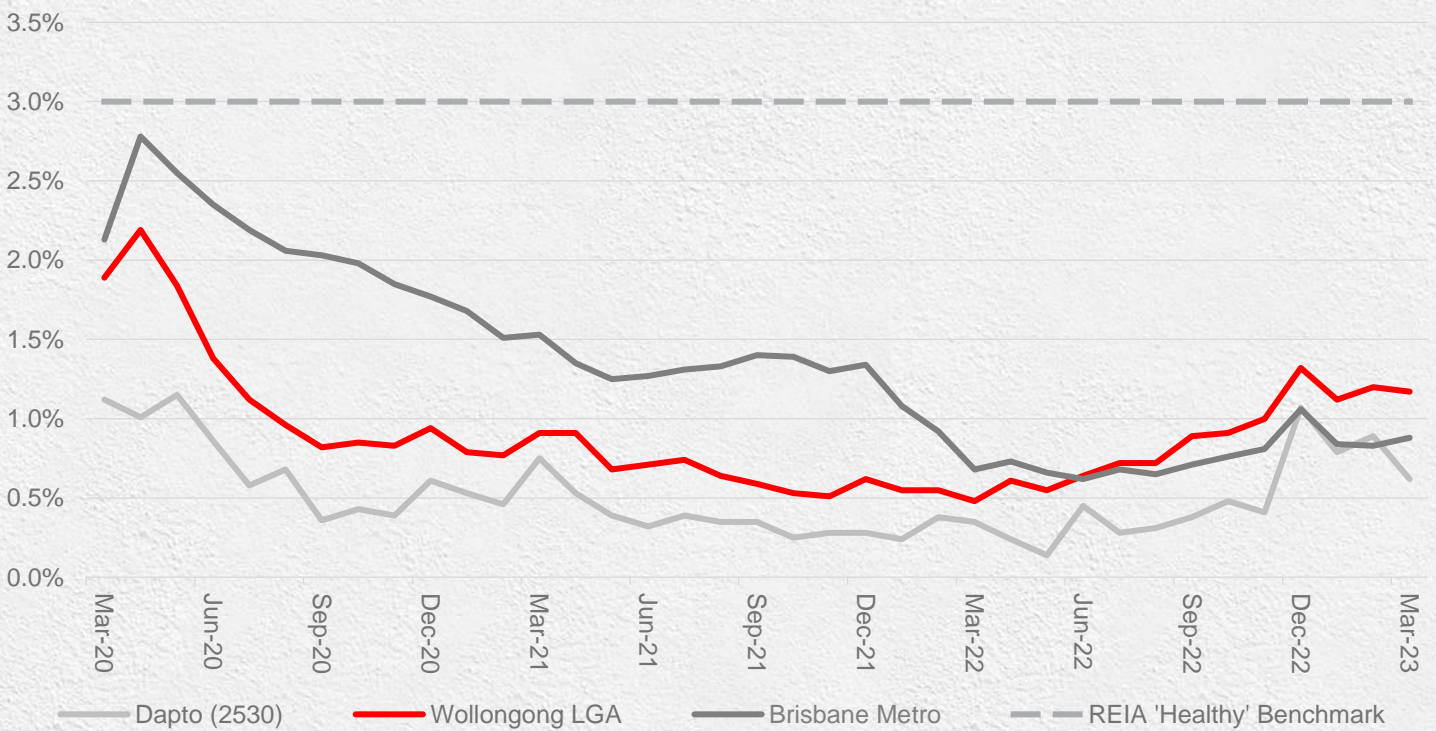
House rental yields in Dapto* were recorded at 3.6% in March 2023, above Sydney Metro (2.9%). Median house rental price remained stable in the 12 months to Q1 2023 (at \$550 per week), however there was a 33.3% increase in the number houses rented; which suggest high demand. Average days on the market increased remained low at 22 days. Overall this represents a resilient rental market Dapto, which has a more affordable investment entry price than Sydney Metro.

4+ bedroom houses have provided investors with +16.1% rental growth annually, with a median rent of \$720 per week.

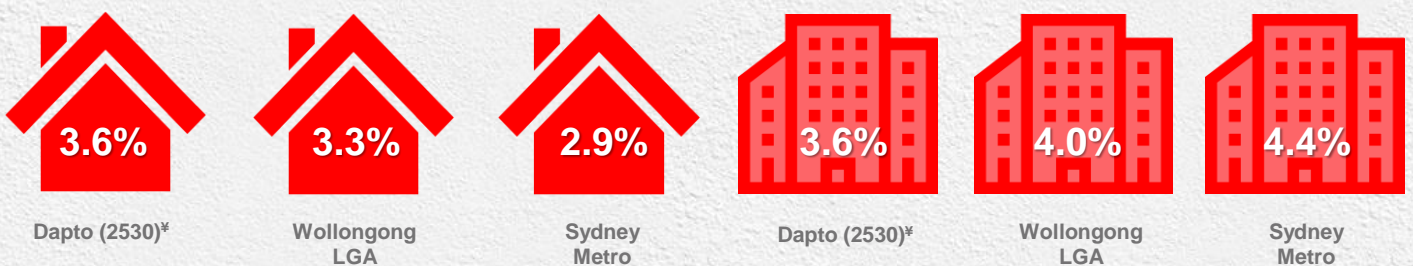
Dapto (Postcode 2530)* recorded a vacancy rate of 0.6% in March 2023, which is below Sydney Metro's 1.3% average; thus properties are rented quicker in Dapto*. Vacancy rates in Dapto* have seen an increasing trend in the past 12 months, due to investors capitalising on a tight rental market. However March 2023 vacancy rates are still below 1.0% and the Real Estate Institute of Australia's healthy benchmark of 3.0%; thus a conducive and sustainable environment for investors.



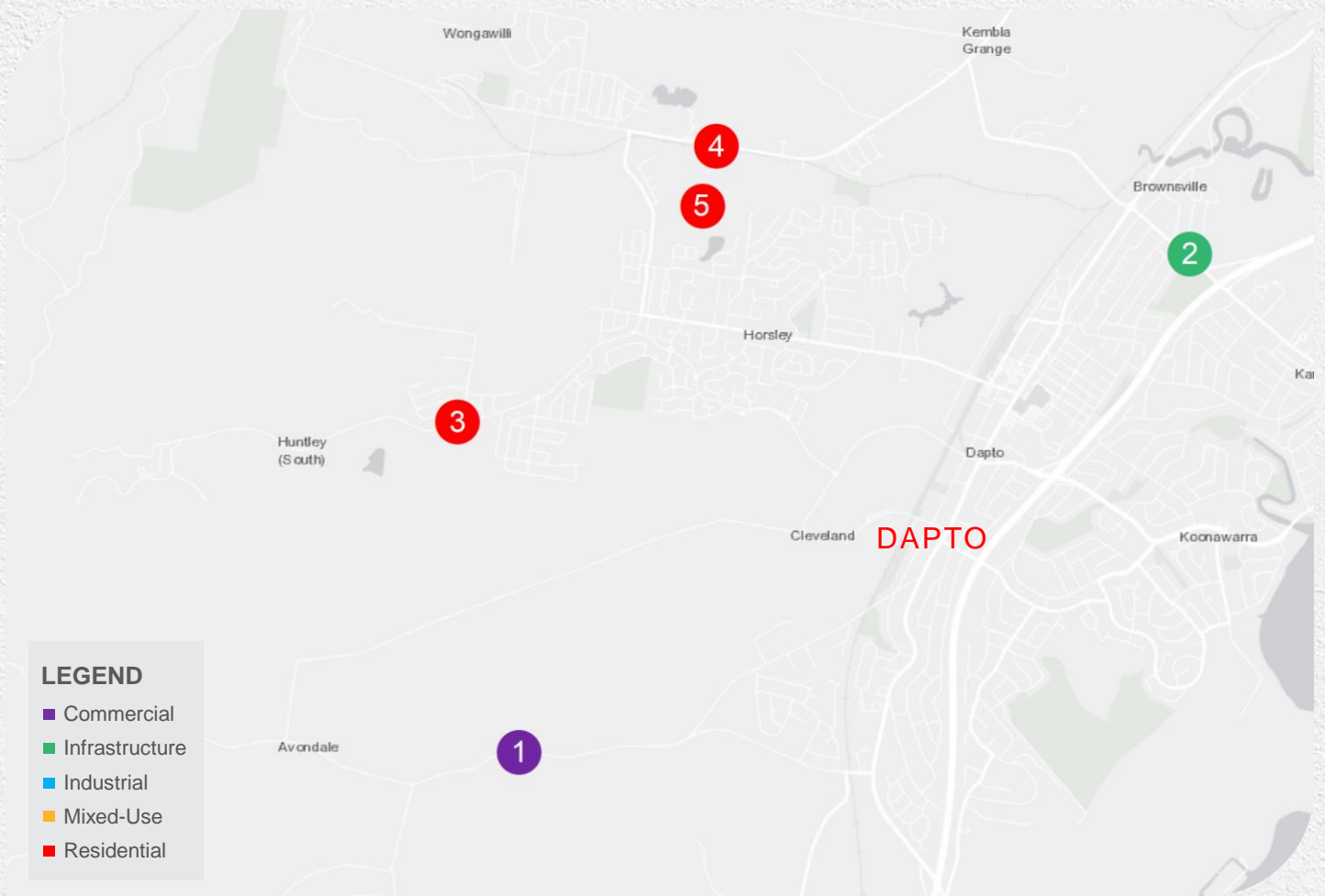
RENTAL VACANCY RATES 2023



RENTAL YIELD 2023\$



TOP DEVELOPMENTS MAP 1st HALF 2023^A



Location	Project [£]	Type	Estimated Value ^µ	Commence Date ^ψ
1	Illawarra International Health Precinct - Seniors Accommodation	Commercial	\$11,000,000	03/03/2023
2	Ampol Foodary Brownsville	Infrastructure	\$515,000	09/04/2023
3	Bong Bong & Cleveland Roads Residential Subdivision (187 lots)	Residential	\$8,500,000	09/01/2023
4	Shone Avenue & West Dapto Road Residential Subdivision (114 lots)	Residential	\$5,130,000	08/05/2023
5	Greenview Estate Horsley (45 lots)	Residential	\$1,890,000	08/05/2023



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.



Jeremy Tillman

Director

M +61 418 244 601

E jeremy@prddapto.com.au



PRD Dapto

P +61 2 4261 0333

F +61 2 8208 9802

1/66 Princes Highway
Dapto NSW 2530

PRD.com.au/dapto

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.

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

€ Annual rental growth is a comparison between 2022 (01/01/2022 – 31/12/2022) and 2023 (01/01/2023 – 31/3/2023) median rent figures.

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

§ 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 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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