



Kogarah Market Update

2nd Half 2023



OVERVIEW

In Q3 2023, Kogarah recorded a median house price of \$1,657,000, and a median unit price of \$668,000. This represents annual (Q3 2022 – Q3 2023) median price growth of 10.5% for houses and a minor price softening of -0.3% for units. Total sales decreased between Q3 2022 – Q3 2023, by -8.0% (to 46 sales) for houses and by -3.3% for units (to 59 sales). This suggests there is a market undersupply, which created a buffer against cash rate hikes, creating a resilient market and continuous price growth. That said the unit market have become slightly more affordable, creating an opportunity for buyers.

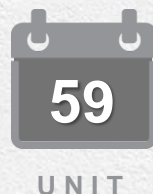
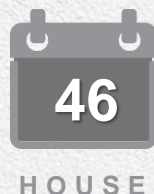
	CHANGE FROM LAST	YEAR	HALF YEAR
	House Sales	↑	↑
	House Median Price	↑	↑
	House Rental Price	↑	↑
	Unit Sales	↑	↑
	Unit Median Price	↓	↑
	Unit Rental Price	↑	↑

MARKET CONDITIONS

SALES MEDIAN PRICE Q3 2023



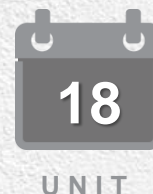
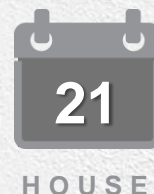
SALES AVERAGE DAYS ON MARKET Q3 2023



RENTAL MEDIAN PRICE Q3 2023

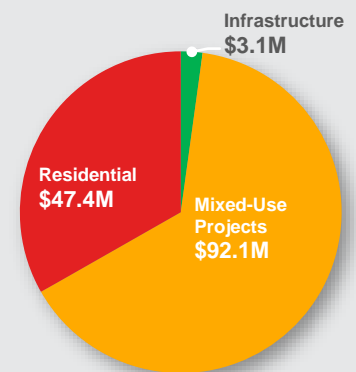


RENTAL AVERAGE DAYS ON MARKET Q3 2023



FUTURE DEVELOPMENTS

Kogarah is set to see approximately **\$142m worth of new projects commencing in the 2nd half of 2023.**



A focus on residential and mixed-use projects will replenish housing stock, creating a fairer environment for buyers and sustainable price growth for the area.

A key Mixed Used project in the 2nd half of 2023 is Chapel Street Units & Retail (\$53M). The project is set to add 169 units to Kogarah.

Another key project is The Rise Kogarah Mixed Use Development, adding 11 serviced apartments and 47 residential apartments (\$18.8M).

The Stanley Street & Victoria Street Units (\$29.8M) is a key residential project that will add 96 units.

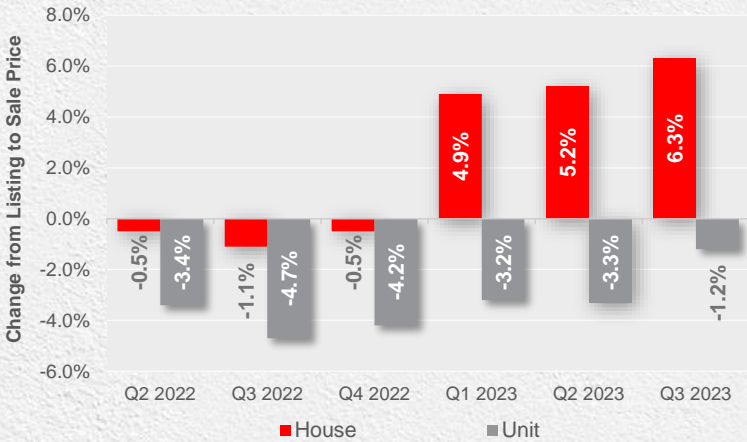
There are multiple projects that will add to housing stock, but only units and apartments. Stand-alone ready-to-sell houses are not planned, thus houses will remain undersupplied and prices continue to increase. Higher interest rates may slow down demand and allow for current stock to be absorbed, however this is not sustainable in the long run.



415 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.

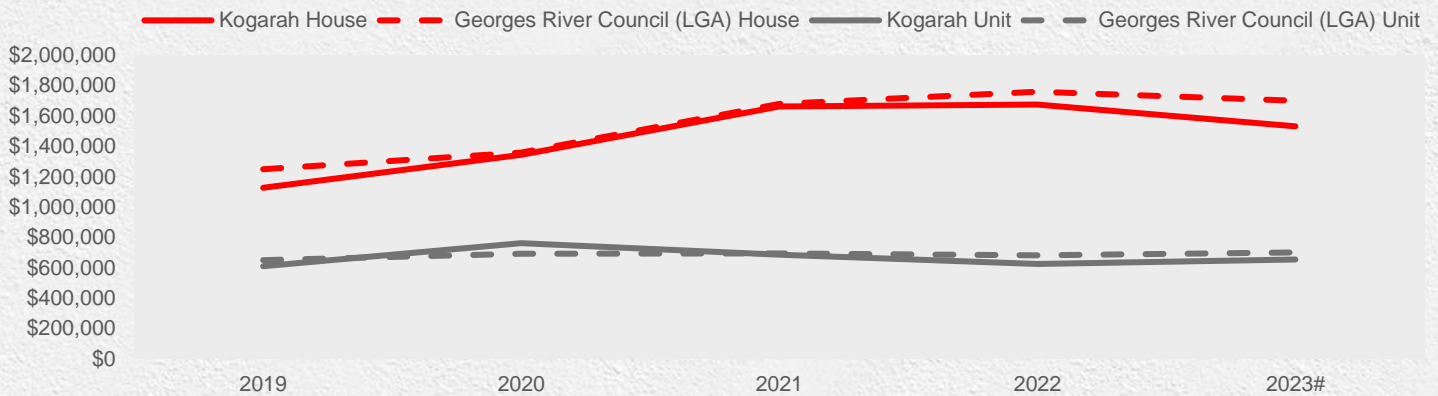


Average vendor discounts between Q3 2023 and Q3 2022 have swung from a discount to a premium of 6.3% for houses and tightened to a lower discount of -1.2% for units. Market conditions in Kogarah have now shifted to favour sellers, as buyers must either offer above the first list price (houses) or closer to it (units). Q3 2023 saw the tightest discount for units in the past 12 months, thus unit buyers looking for affordability must act fast.

The suburb of Kogarah and Georges River Council (LGA) performed closely to the wider Georges River Local Government Area (LGA) in both house and unit median prices. This continued to be the case in 2023#.

The dominant proportion of homes sold in Kogarah in 2023 were in the premium price point of \$1,700,001 and above (39.7%). Units also recorded a dominant high-end price point, of \$900,000 and above (30%). There are affordable options available, with 28.9% (house) and 19.6% (units) in the most affordable price category. This is good news for first home buyers.

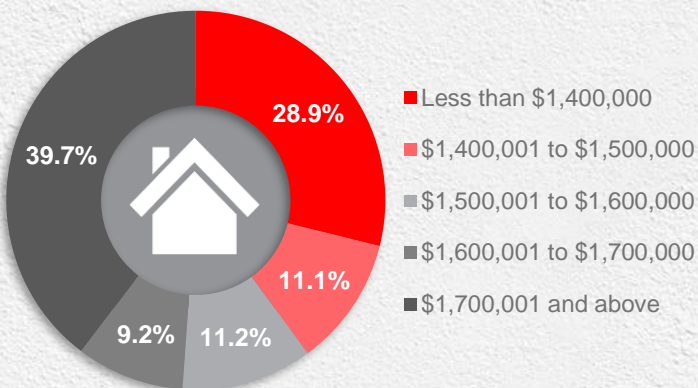
MARKET COMPARISON



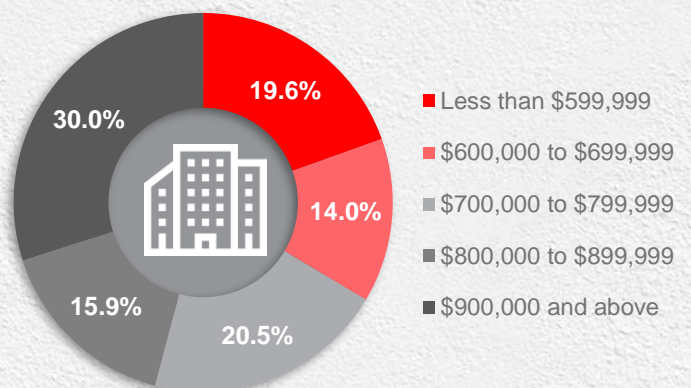
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Kogarah.

PRICE BREAKDOWN 2023#

HOUSES SOLD



UNITS SOLD



RENTAL GROWTH 2023€

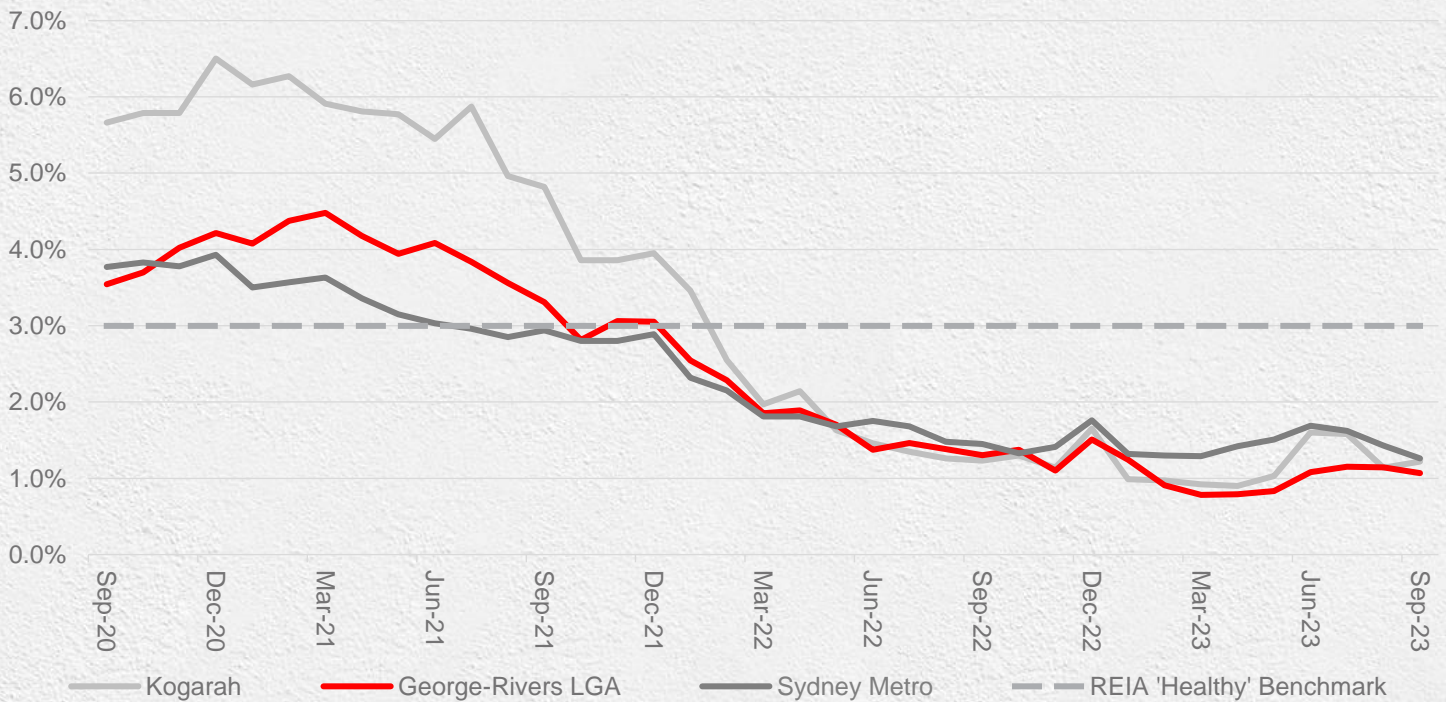
House rental yields in Kogarah* were recorded at 2.0% as of September 2023, below Sydney Metro (2.7%). House rental yields may seem low, this is due to annual (Q3 2022 – Q3 2023) median house sale price growth (10.5%) being on par with median house rent price growth (11.4%). That said median house rental price increased to \$780 per week in Q2 2023, while average days to let on the market declined by -4.5% (to 21 days). This confirms there is a resilient rental market.

4+ bedroom houses have provided investors with +9.6% rental growth annually, achieving a median rent of \$800 per week.

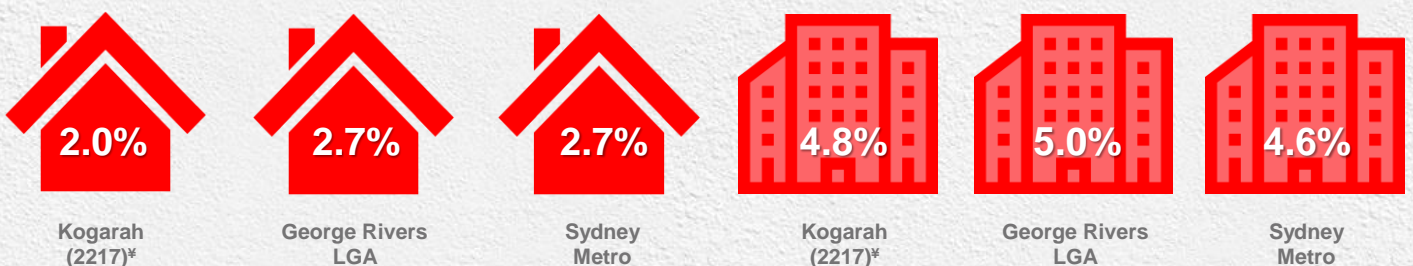
Kogarah* recorded a vacancy rate of 1.2% in September 2023, which is slightly below Sydney Metro's 1.3% average. Vacancy rates in Kogarah* have sharply declined since July 2021, which has led vacancy rate to sit well below the Real Estate Institute of Australia's healthy benchmark of 3.0%. This confirms there is an increasingly healthy rental demand, with quicker occupancy of rental properties, and investors can be confident of a conducive investment environment in Kogarah*.



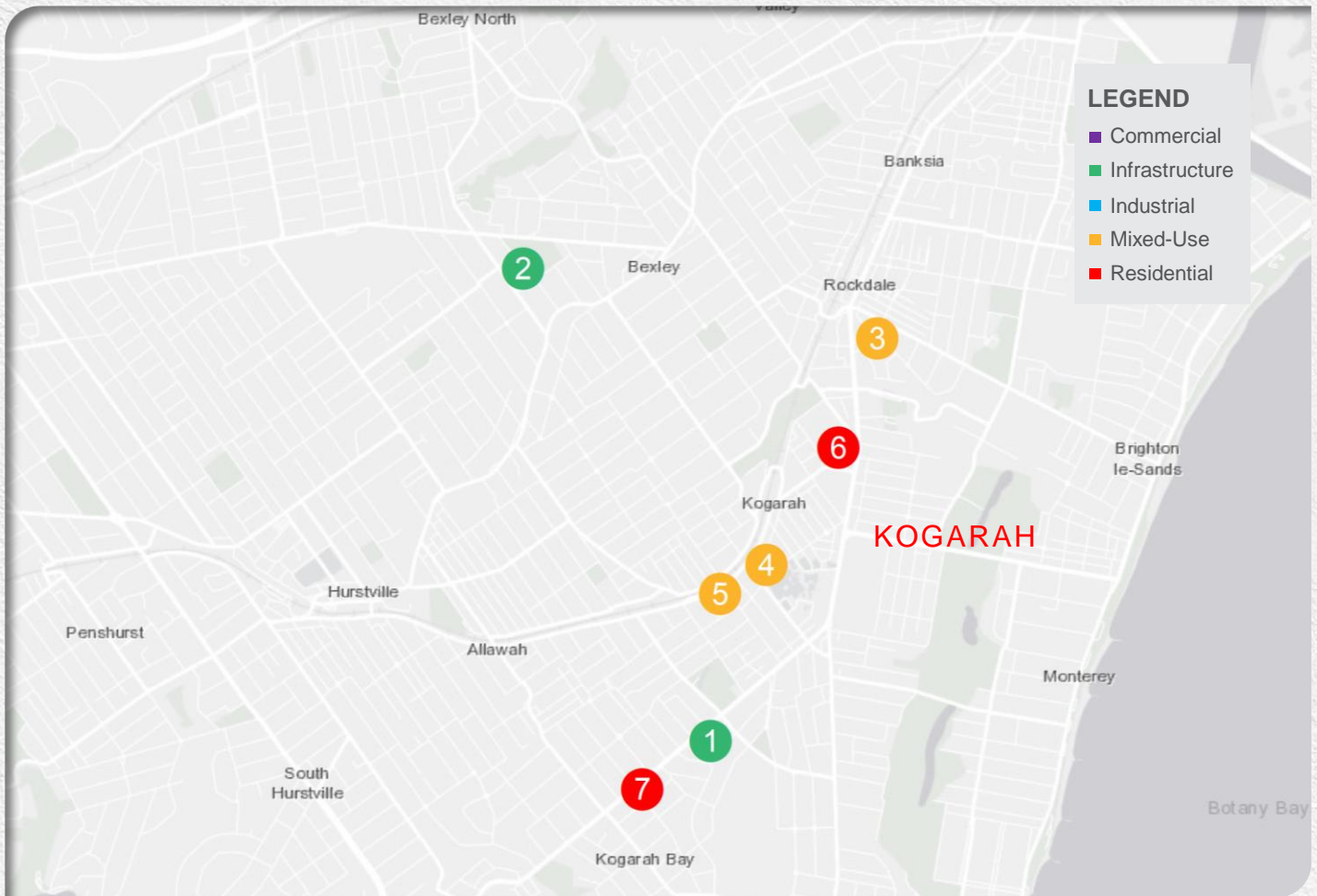
RENTAL VACANCY RATES 2023



RENTAL YIELD 2023\$



TOP DEVELOPMENTS MAP 2nd HALF 2023^A



Location	Project [£]	Type	Estimated Value ^µ	Commence Date ^ν
1	St George Leagues Club Beverley Park Alterations	Infrastructure	\$2,930,520	07/08/2023
2	Bexley Park Sports Field Lighting Installation	Infrastructure	\$173,000	03/07/2023
3	15, 17-19, 21 & 23 Chapel Street Units & Retail (169 units)	Mixed-use	\$53,259,000	08/12/2023
4	7-11 Derby Street Apartments & Shops (54 apartments)	Mixed-use	\$20,247,000	23/10/2023
5	The Rise Kogarah Mixed Use Development (47 apartments)	Mixed-use	\$18,571,000	17/12/2023
6	Stanley Street & Victoria Street The Victoria Units (96 units)	Residential	\$29,840,000	07/11/2023
7	186-190 Princes Highway & Lacey Street Units (49 units)	Residential	\$17,550,000	14/12/2023



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

* Kogarah market data and key indicators encapsulates aggregate property market conditions within the suburbs of Bexley, Carlton, and 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.

2023 encapsulates sales transactions for Q1 to Q3 2023 (01/01/2023 – 30/09/2023) only.

€ Annual rental growth is a comparison between Q3 2022 (01/07/2022 – 30/09/2022) and Q3 2023 (01/07/2023 – 30/09/2023) median house rent figures.

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

§ Rental yields shown are as reported as of September 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 Beverley Park, Bexley, Carlton, Kogarah, Kogarah Bay and 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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