

Oatley Market Update

2nd Half 2023



OVERVIEW

In Q3 2023, Oatley* recorded a median house price of \$1,600,000, and a median unit price of \$741,000. This represents annual (Q3 2022 – Q3 2023) softening of -8.6% for houses and -5.0% for units. Total sales decreased between Q3 2022 – Q3 2023, by -3.8% (to 76 sales) for houses and increased by 12.8% for units (to 44 sales). Oatley's* property market is reflective of cash rate hikes and changing economic conditions, as there is a price softening alongside lower sales – especially for houses. A more affordable Oatley* creates new opportunities for buyers who are looking to enter the market.

	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

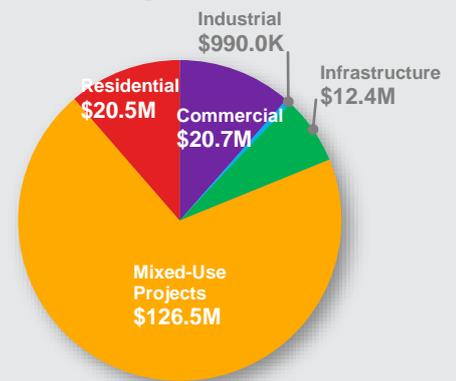


RENTAL AVERAGE DAYS ON MARKET Q3 2023



FUTURE DEVELOPMENTS

Oatley* is set to see approximately **\$181M** worth of new projects commencing in the 2nd half of 2023.



These projects will stimulate economic growth and create new employment opportunities in Oatley. This can result in a spill-over impact on the real estate market, in the form of higher demand for housing stock.

A key mixed-used project in the 2nd half of 2023 is the Lotus Hurstville Units (\$120M). The project is set to add 116 units/apartments as well as 10 commercial units to the area.

King Georges Road and Connells Point Road Intersection (\$10M) is key infrastructure planned. This will improve liveability for residents.

There are few residential projects planned, adding needed stock:

- 546 Railway Parade Hurstville (17 apartments)
- 17-17a Romani Avenue Dwellings (5 dwellings)
- 14-16 George Street Mortdale (8 Apartments)

There is still very little ready-to-sell dwellings planned, thus pressure on house prices will continue.



189 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.

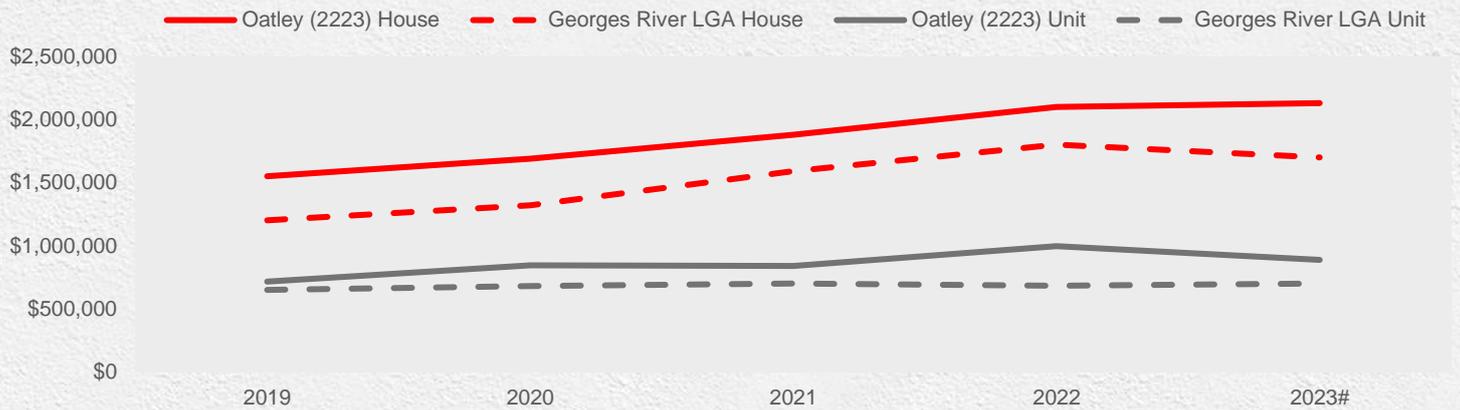


Average vendor discounts between Q3 2022 and Q3 2023 have rapidly shifted for both property types, to a higher premium of 6.4% for houses and tighter discount of -0.6% for units. Despite a softening in median sale prices market conditions in Oatley* still favour sellers as buyers either have to higher than or closer to the initial listing price. This creates a unique opportunity for both buyers and sellers, both benefiting from the market.

The suburb of Oatley has historically outperformed the wider Georges River Local Government Area (LGA) in both house and unit median prices. 2023# saw the same pattern continue for houses, however units prices in the suburb have returned to parity towards the LGA's.

The dominant proportion of homes sold in Oatley in 2023 were in the premium price bracket of \$2,170,001 and above (27.2%). Units also recorded a dominant premium price point, of \$900,000 and above (30.3%). Affordable options available, making up 36.3% of house sales and 46.3% of unit sales, which is good news for first home buyers wanting to enter the market.

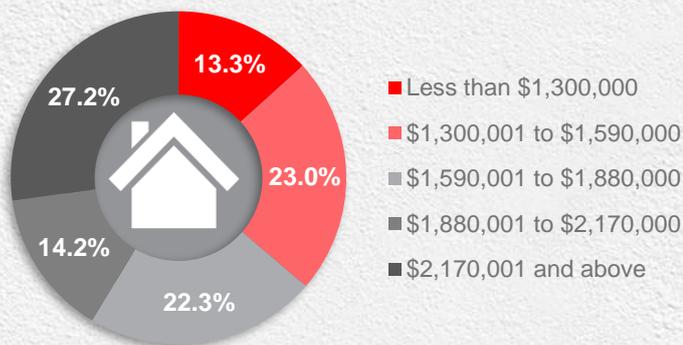
MARKET COMPARISON



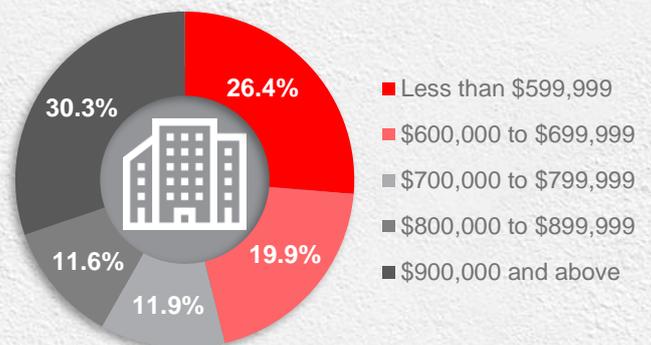
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Oatley.

PRICE BREAKDOWN 2023

HOUSES SOLD



UNITS SOLD



RENTAL GROWTH 2023€

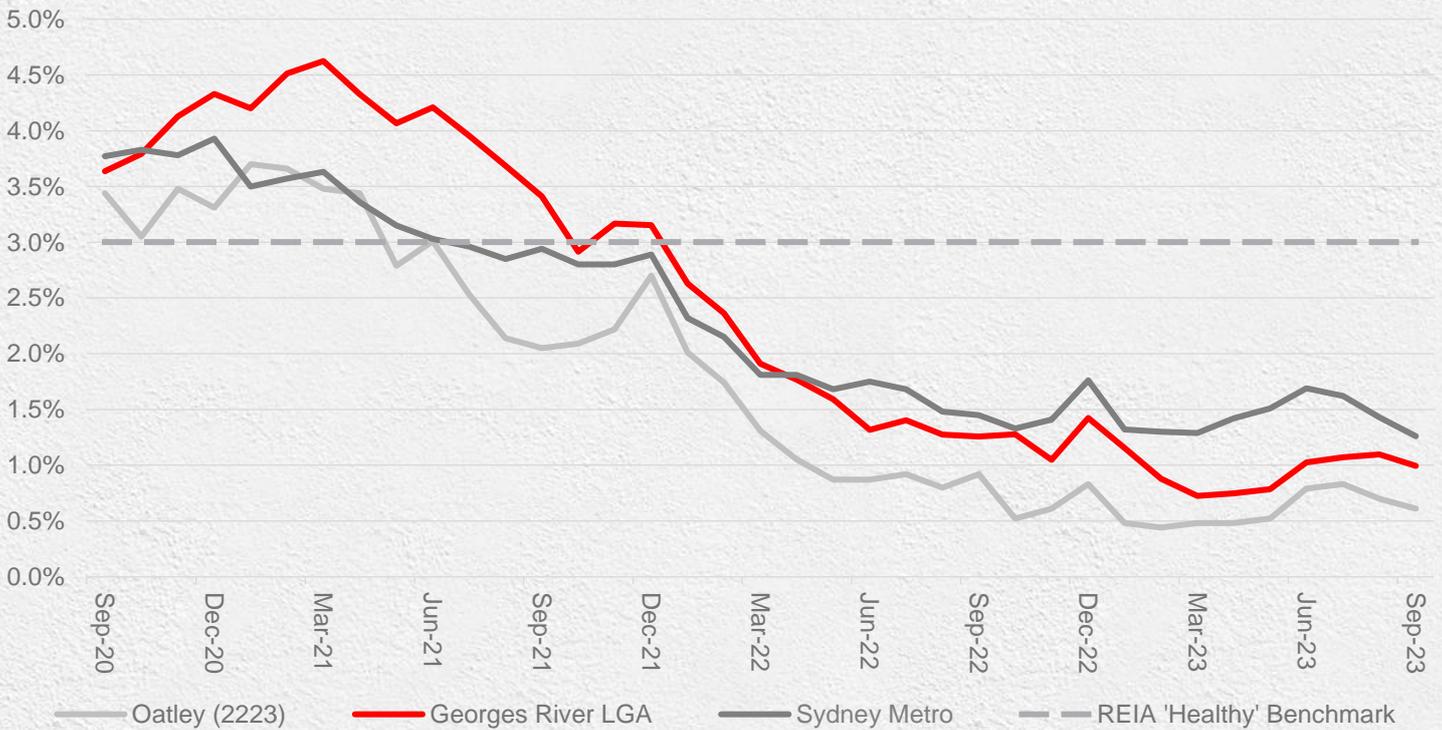
House rental yields in Oatley* was 2.0% in September 2023, lower than Sydney Metro (2.7%). That said the median house rental price has remained stable in the past 12 months Q3 2023, at \$750 per week, while the number of houses rented grew by 3.0% (to 69 houses). Median unit rental price increased by 28.9% in the same timeframe, and the number of units rented declined by -7.3%. Overall, there is an undersupply of unit rentals and a resilient house rental market, benefitting investors.

4+ bedroom houses have provided investors with 33.3% rental growth annually, at a median rent of \$1,200 per week.

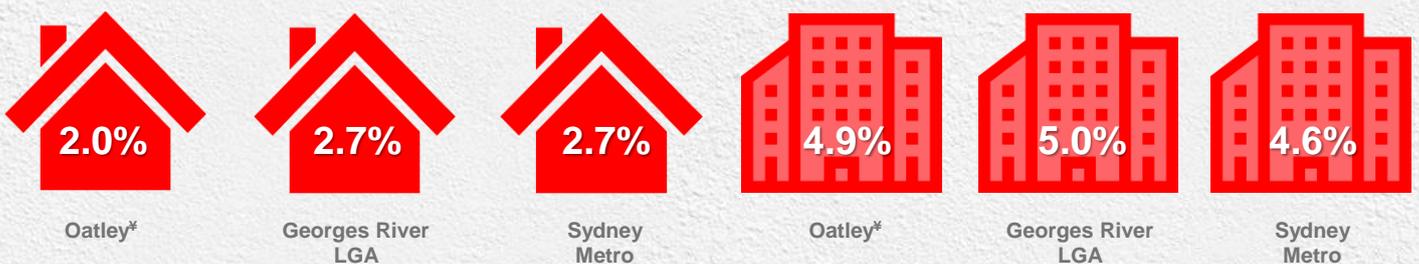
Oatley* recorded a vacancy rate of 0.6% in September 2023, well below Sydney Metro's 1.3% average. There is quicker occupancy of rental properties in Oatley*. Vacancy rates in Oatley* have held relatively steady over the past 12 months, with some fluctuations as investors either enter/exit the market due to cash rate hikes. A 0.6% vacancy rate is very low, thus a conducive environment for investors; especially with a more affordable entry price in the past 12 months to Q3 2023.



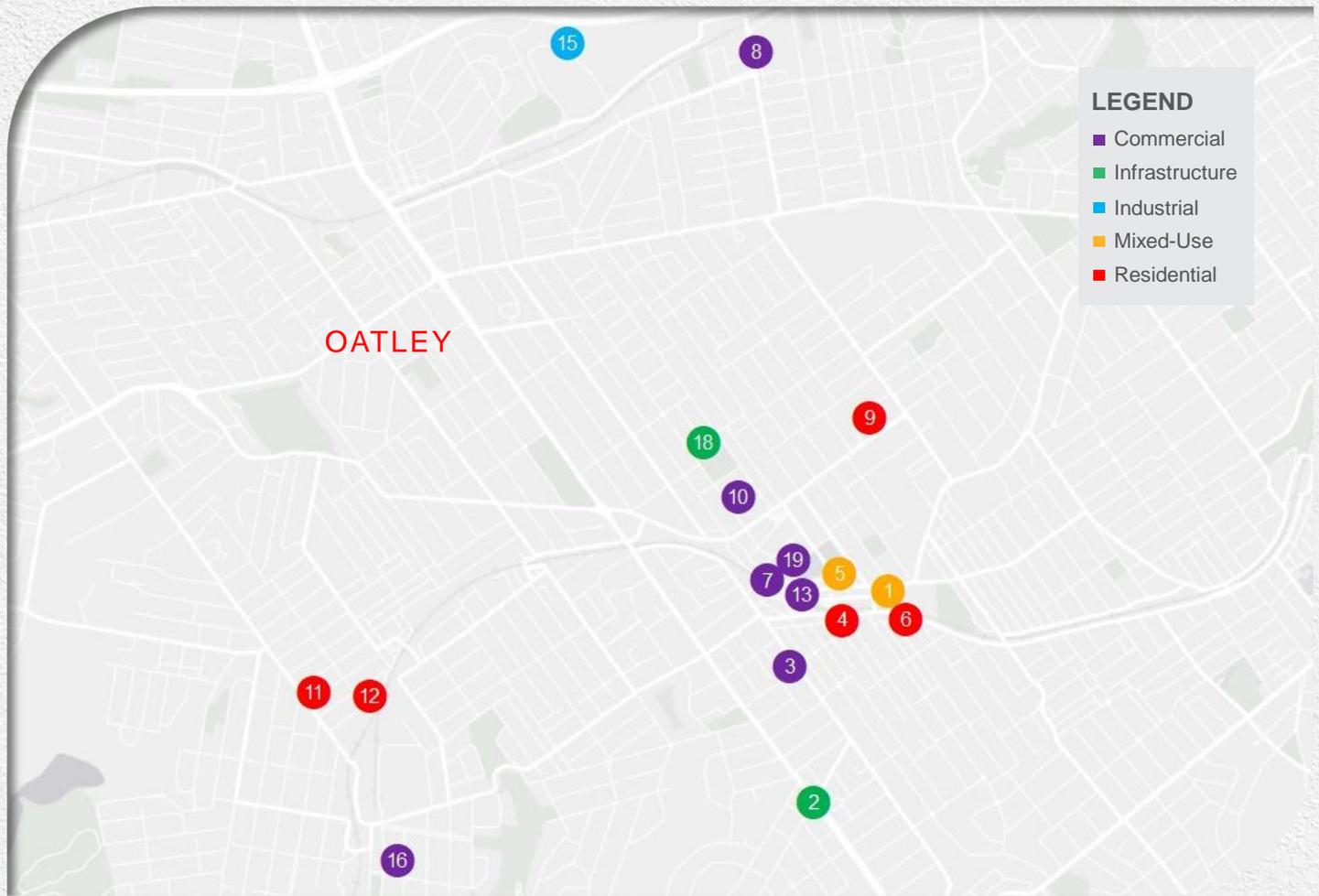
RENTAL VACANCY RATES 2023



RENTAL YIELD 2023\$



TOP DEVELOPMENTS MAP 2nd HALF 2023^A



Location	Project [£]	Type	Estimated Value ^u	Commence Date ^w
1	Lotus Hurstville Units (116 residential units / 10 commercial units)	Mixed-use	\$120,000,000	15/12/2023
2	King Georges Road & Connells Point Road Intersection, South Hurstville	Infrastructure	\$10,000,000	29/12/2023
3	Woniora Road Boarding House	Commercial	\$9,130,000	06/12/2023
4	546 Railway Parade Hurstville – Apartments (17 apartments)	Residential	\$6,919,000	20/07/2023
5	8 Park Road Apartments & Retail (19 apartments)	Mixed-use	\$6,504,000	06/12/2023
6	506-508 Railway Parade Apartments (19 apartments)	Residential	\$5,464,000	09/10/2023
7	One Hurstville Plaza	Commercial	\$3,234,000	05/10/2023
8	Kingsgrove Road Pub	Commercial	\$3,230,000	12/12/2023
9	17-17a Romani Avenue Dwellings (5 Dwellings)	Residential	\$3,160,000	09/11/2023
10	Dalcassia Street Boarding House	Commercial	\$2,530,000	04/12/2023
11	Mortdale Apartments (10 apartments)	Residential	\$2,524,000	25/08/2023
12	14-16 George Street - Mortdale – Apartments (8 apartments)	Residential	\$2,434,000	17/07/2023
13	Nab Hurstville Bank Fit Out	Commercial	\$1,350,000	24/08/2023
Not Mapped	Defence Housing - Wattle Grove Dwellings Upgrade	Infrastructure	\$1,000,000	04/12/2023
15	The Crescent Resource Recovery Facility	Industrial	\$990,000	12/12/2023
16	Oatley Masonic Centre	Commercial	\$804,000	14/12/2023
17	The Willows Road Roadworks Remediation Works	Infrastructure	\$700,000	16/10/2023
18	Hurstville Oval Sports Lighting	Infrastructure	\$652,000	13/11/2023
19	Forest Road Business Premises	Commercial	\$437,000	04/08/2023

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.



James Walters

Principal

M +61 417 455 875

E james.walters@prdoatley.com.au



PRD Office Name

P +61 2 9579

PRD.com.au/oatley

**24 Oatley Avenue
Oatley NSW 2223**

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 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.

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

§ 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 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.

Disclaimer: PRD does not give any warranty in relation to the accuracy of the information contained in this report. If you intend to rely upon the information contained herein, you must take note that the information, figures and projections have been provided by various sources and have not been verified by us. We have no belief one way or the other in relation to the accuracy of such information, figures and projections. PRD will not be liable for any loss or damage resulting from any statement, figure, calculation or any other information that you rely upon that is contained in the material.

Prepared by PRD Research. © All medians and volumes are calculated by PRD Research. Use with written permission only. All other responsibilities disclaimed. © Copyright PRD 2023.

