



Dapto Market Update

2nd Half 2023



OVERVIEW

In Q3 2023, Dapto* recorded a median house price of \$770,000, and a median unit price of \$629,000. This represents annual (Q3 2022 – Q3 2023) softening of -4.3% for houses and -7.9% for units. Total sales decreased between Q3 2022 – Q3 2023, by -8.1% (to 137 sales) for houses and increased by 15.0% for units (to 45 sales). Successive interest rates hikes have translated into the market, as price decreases are evident despite a lower number of sales – in particular for the house market. This creates new opportunities for buyers that are looking for a more affordable market, however time is of the essence.

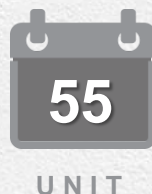
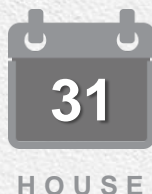
	CHANGE FROM LAST	YEAR	HALF YEAR
	House Sales	↓	↑
	House Median Price	↓	↓
	House Rental Price	↑	↑
	Unit Sales	↑	↑
	Unit Median Price	↓	↓
	Unit Rental Price	↓	↑

MARKET CONDITIONS

SALES MEDIAN PRICE
Q3 2023



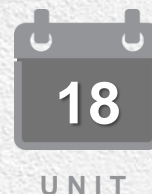
SALES AVERAGE DAYS ON MARKET
Q3 2023



RENTAL MEDIAN PRICE
Q3 2023

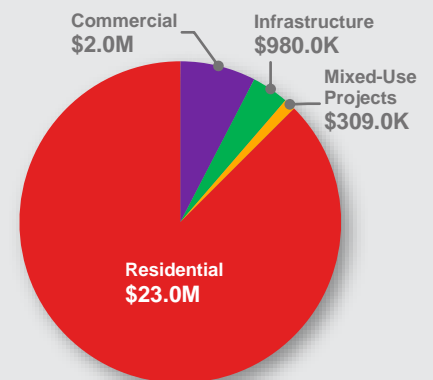


RENTAL AVERAGE DAYS ON MARKET
Q3 2023



FUTURE DEVELOPMENTS

Dapto is set to see approximately **\$26.3M** worth of new projects commencing in the 2nd half of 2023.



A focus on residential projects is ideal for Dapto, to ensure there is new housing stock for future demand. Other projects will stimulate the local economy, creating more jobs. This has a potential multiplier impact of stimulating the demand for housing.

The only residential project planned in the 2nd half of 2024 is located on 24 Avondale Road Townhouses. This will add 92 townhouses.

Although current higher interest rate environment has translated to lower sales, having only one type of new stock still suggest an undersupply. Especially if the cash rate continues to be held stable and the consumer confidence start to return.

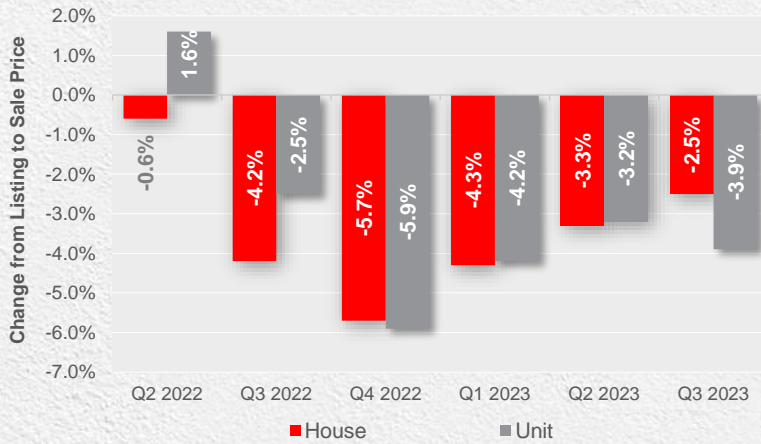
Very limited new stock suggest that the price downturn in Dapto is only temporary. Thus for buyers who are thinking of entering the market, time is of the essence.



92 townhouses

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.

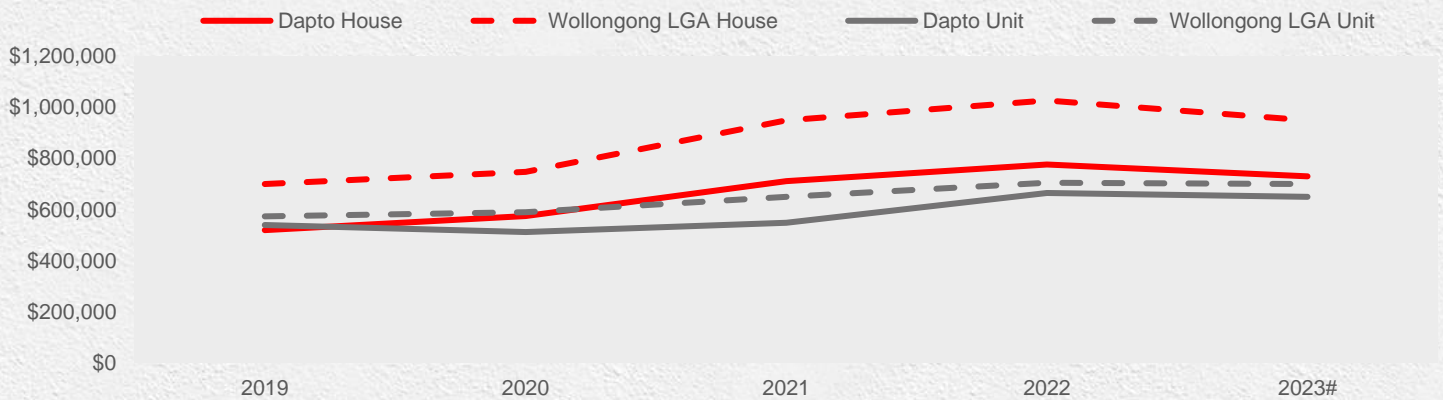


Average vendor discounts between Q3 2022 and Q3 2023 have shifted to a tighter discount of -2.5 for houses and wider discount of -3.9% for units. Market conditions in Dapto* continue to favour buyers, as vendors are willing to accept below the initial listing price. However, Q3 2023 average vendor discount was tighter than the past 3 quarters, thus buyers must act fast.

The suburb of Dapto has historically provided a more affordable house and unit market than the Wollongong Local Government Area (LGA). This continues to be the case for houses in 2023#, however unit prices in Dapto suburb rose slightly to becoming on par with the LGA.

The dominant proportion of homes sold in Dapto* in 2023# was in the affordable price bracket of \$650,000 - \$749,999 (27.3%). Units recorded a dominant middle-range price bracket of \$550,000-\$649,999 (36.7%). Affordable units are available, at 22.4% of sales, which is good news for buyers. The premium house market is 21.8% of sales, in good news for owners looking to sell.

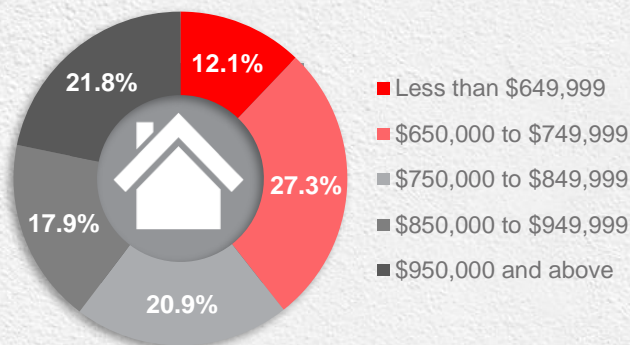
MARKET COMPARISON



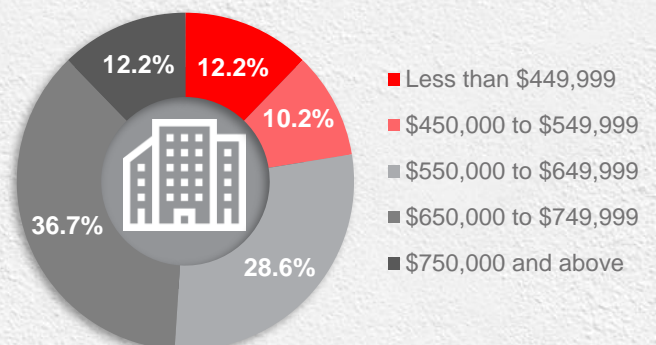
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Dapto.

PRICE BREAKDOWN 2023#

HOUSES SOLD



UNITS SOLD

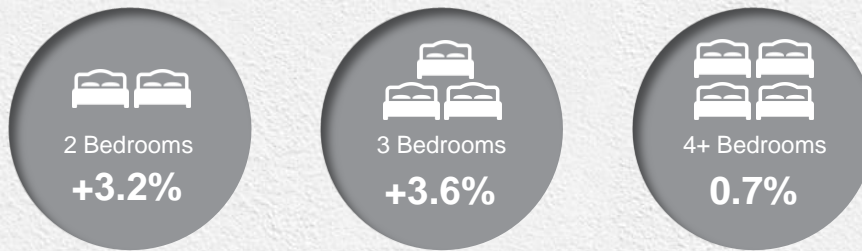


RENTAL GROWTH 2023€

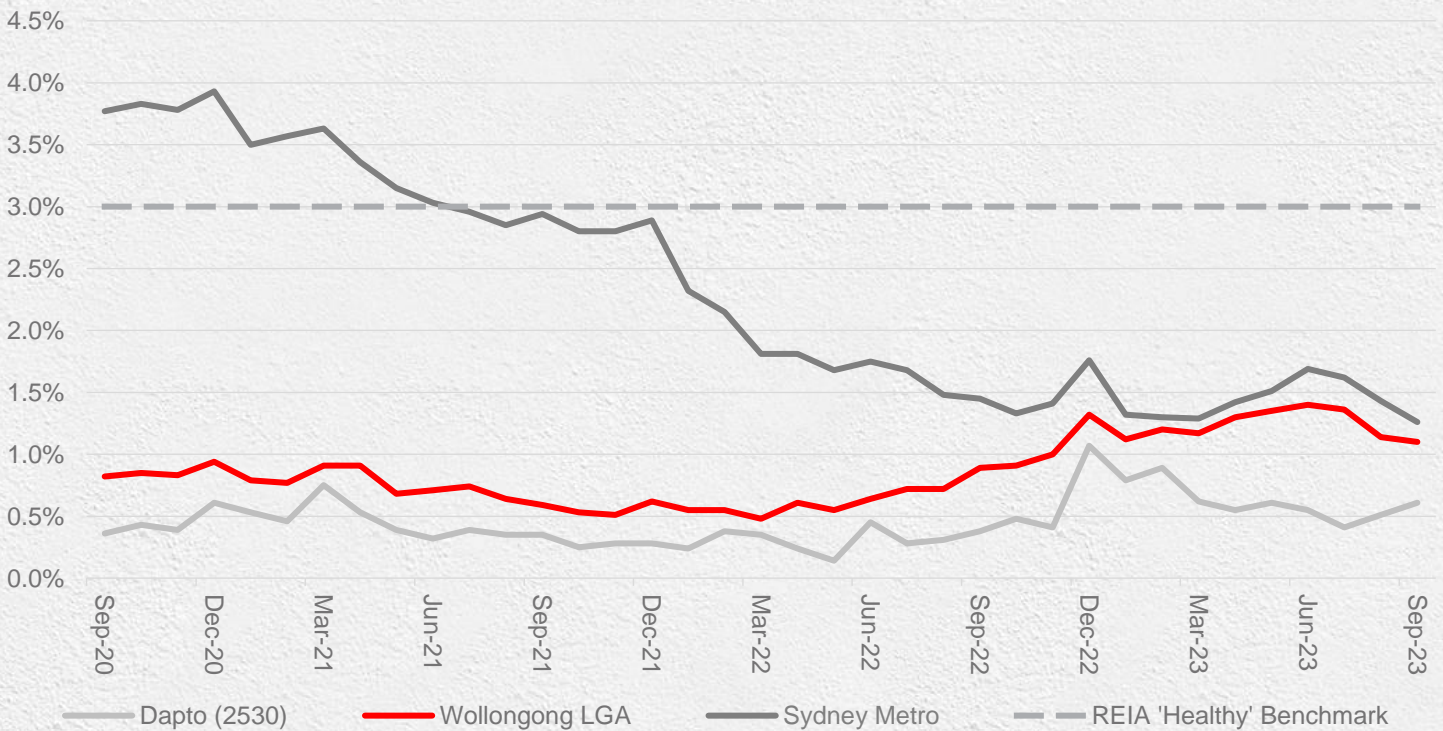
House rental yields in Dapto* was 4.1% in September 2023, higher than Wollongong LGA (3.2%) and Sydney Metro (2.7%). This was paired with a 2.5% increase in median house rental price in the past 12 months to Q3 2023, to \$615 per week, with a -3.2% decline in the number of houses rented (to 92 houses). The same pattern can be seen in the unit market, which suggests a highly demanded and undersupplied rental market, in good news for investors.

3 bedroom houses have provided investors with +3.6% rental growth annually, achieving a median rent of \$570 per week.

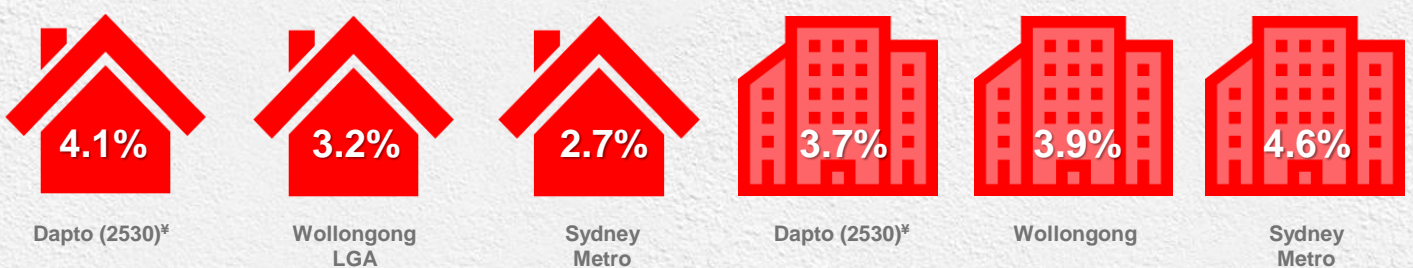
Dapto* recorded a vacancy rate of 0.6% in September 2023, below Sydney Metro (1.3%). Vacancy rates in Dapto* have increased slightly in the past 12 months, due to investors entering the market and capitalising on higher yields. That said, a 0.6% vacancy rate is still very low, thus quicker rental occupancy in Dapto*. This suggests a conducive and sustainable environment for investors, especially with a more affordable house and unit sales price in the past 12 months to Q3 2023.



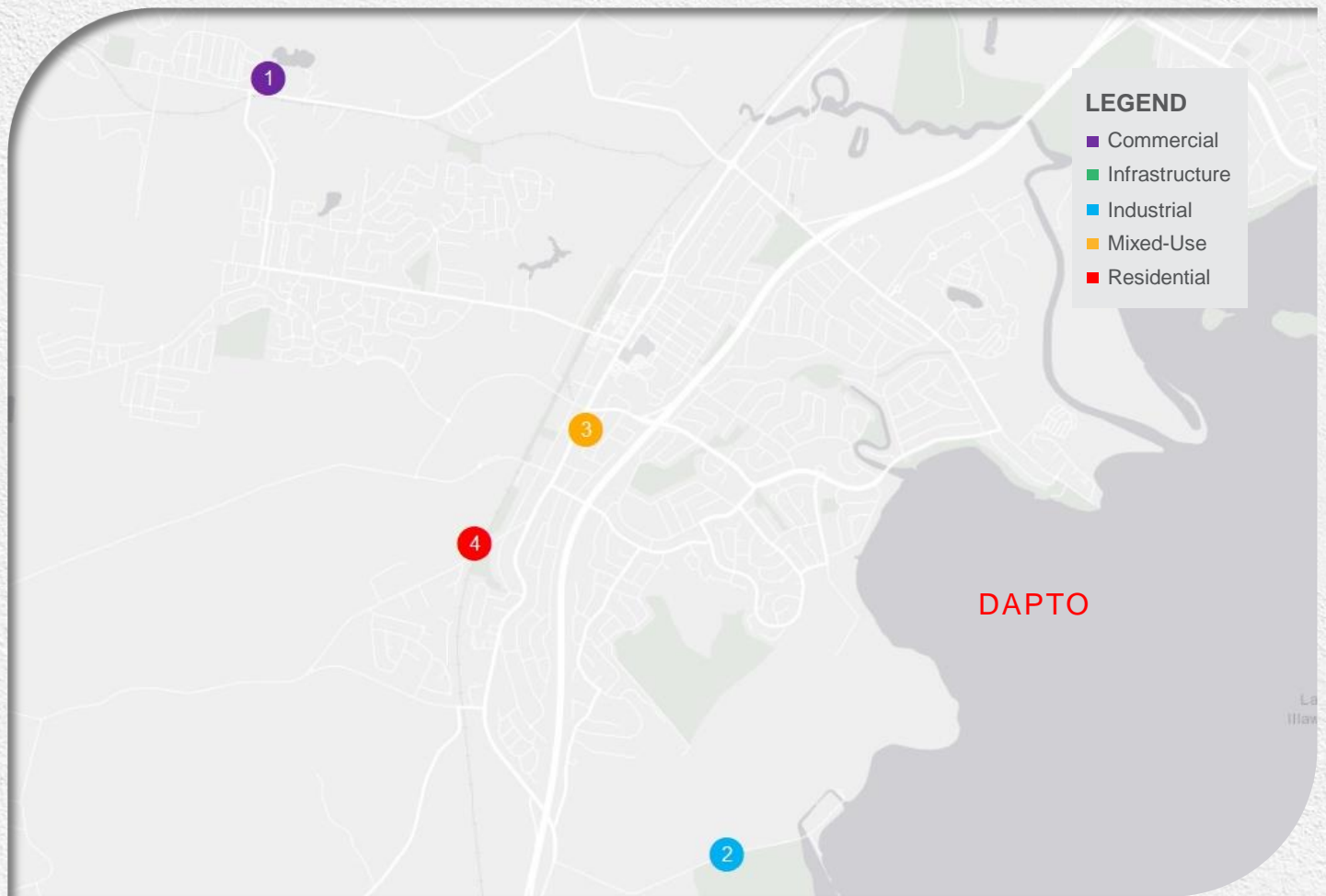
RENTAL VACANCY RATES 2023



RENTAL YIELD 2023\$



TOP DEVELOPMENTS MAP 2nd HALF 2023[Ⓐ]



Location	Project [£]	Type	Estimated Value [Ⓜ]	Commence Date [Ⓜ]
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1	McDonalds Wongawilli Commercial Development	Commercial	\$2,000,000	28/12/2023
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2	Tallawarra Lands Yallah Bay Road Shed	Infrastructure	\$980,000	17/10/2023
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3	145 Fowlers Road Public Administration Building Conversion	Mixed-Use	\$309,000	11/10/2023
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4	24 Avondale Road Townhouses (92 townhouses)	Residential	\$230,000,000	01/02/2023
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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

* 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 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.

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

§ 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 postcode 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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