

Success Market Update

1st Half 2024



OVERVIEW

In Q4 2023, Success* (which in this report encapsulate sales and rentals in Success and Treeby) recorded a median house price of \$690,000, and a median unit price of \$367,000. This represents annual (Q4 2022 – Q4 2023) growth of 15.0% for houses and 9.6% for units. During this time total house sales (quantity) increased by 27.9% (to 70 sales) and total unit sales (quantity) grew by 21.1% for unit sales (to 23 sales). There is high demand for properties in Success*, with the houses undersupplied. This has created a buffer against cash rate hikes, and with only a small amount of new stock planned, property prices will continue to travel up.

CHANGE FROM LAST YEAR HALF YEAR



	YEAR	HALF YEAR
HOUSE SALES	↑	↑
HOUSE MEDIAN PRICE	↑	↑
HOUSE RENTAL PRICE	↑	↑

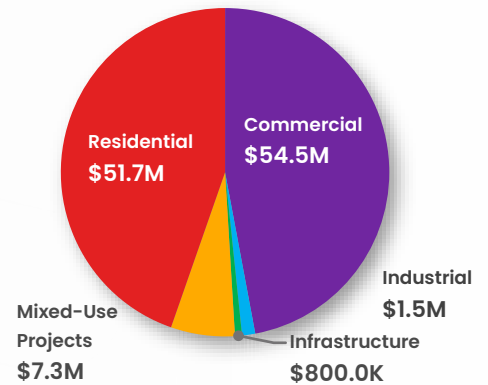


	YEAR	HALF YEAR
UNIT SALES	↑	↑
UNIT MEDIAN PRICE	↑	↑
UNIT RENTAL PRICE	↑	↑



FUTURE DEVELOPMENTS

Success* will see approximately **\$115.8M worth of new projects commencing construction in 2024.**



These projects will stimulate economic growth and create more jobs in the area. This will have a spill-over impact on the real estate market, in the form of higher demand for housing.

Three key residential projects are due to commence construction in 2024:

- Lake Treeby Master Plan – 469 Lots
- Kentucky Court Apartments Stages 2 & 3 – 173 Apartments
- 13 Welford Way – 7 dwellings

These three projects will add valuable residential stock to the Success* area. That said, at this particular time, this will not fully answer current demand, especially for houses. This will result in house buyers looking into apartment alternatives instead, thus pushing up prices for both property types.



MARKET CONDITIONS

MEDIAN PRICE
Q4 2023



\$690K

SALES



\$367K

AVERAGE DAYS
ON MARKET Q4 2023



15
HOUSE



40
UNIT

MEDIAN PRICE
Q4 2023



\$660

RENTALS



\$500

AVERAGE DAYS
ON MARKET Q4 2023



17
HOUSE



23
UNIT



**173 Units/
Apartments**



7
Dwellings

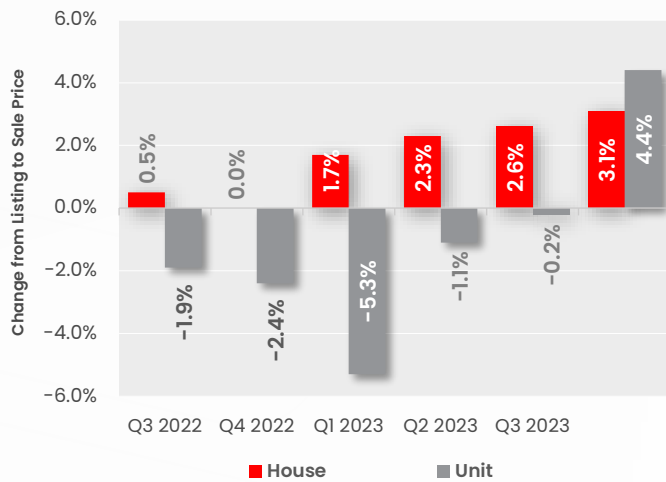


469 Lots



AVERAGE VENDOR DISCOUNT*

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.



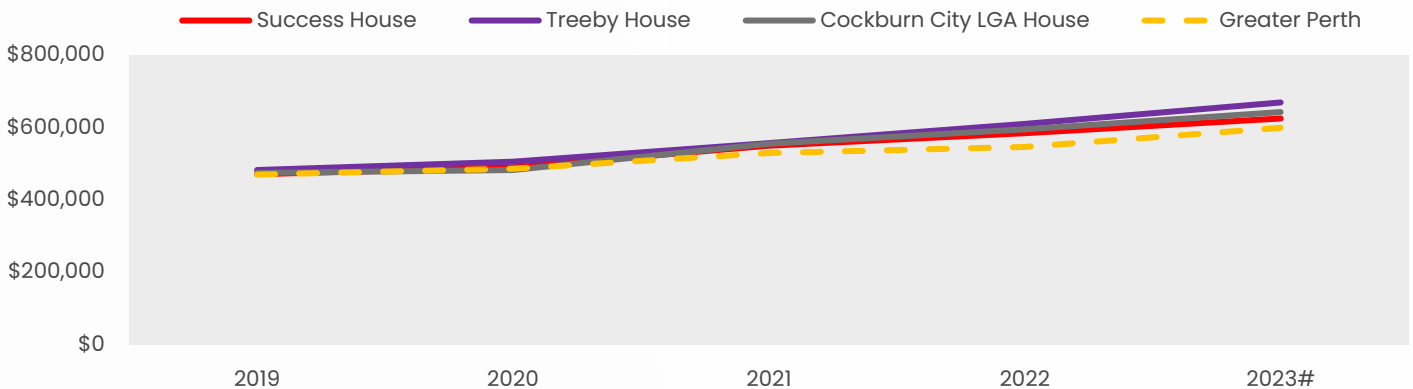
Average house vendor discounts between Q4 2022 and Q4 2023 have continued to grow, to a premium of 3.1%. Average unit vendor discount has swung from a negative to a positive, of 4.4%. Market conditions in Success* favour sellers, where buyers must offer above the initial listing price. Q4 2023 saw the highest premium for houses for the past 18 months, whereas it is the first time for units. With only a small amount of new stock planned, this trend will most likely continue upwards. Thus buyers must act fast.

The suburbs of Success and Treeby have tracked on par with the wider Cockburn City Local Government Area (LGA) and the Greater Perth in both house and land median prices for the past 5 years. 2023# has seen this trend change, with Success and Treeby having a higher price than Greater Perth, thus now a premium market.

The dominant proportion of homes sold in Success* in 2023# were in the middle-price bracket of \$650,000 and \$749,999 (30.7%). Units tracked similarly, with a dominant price point of \$350,000 and \$399,999 (32.5%). There is affordably priced stock available, in good news for buyers.



MARKET COMPARISON



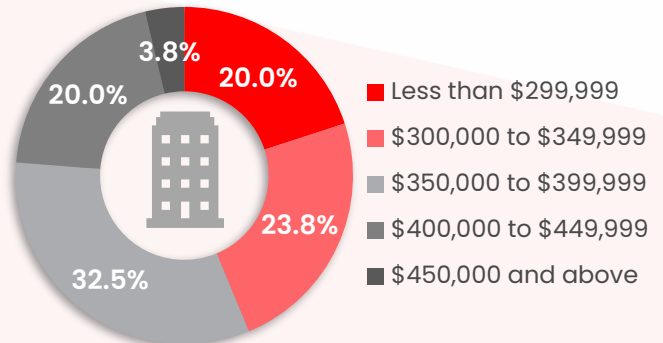
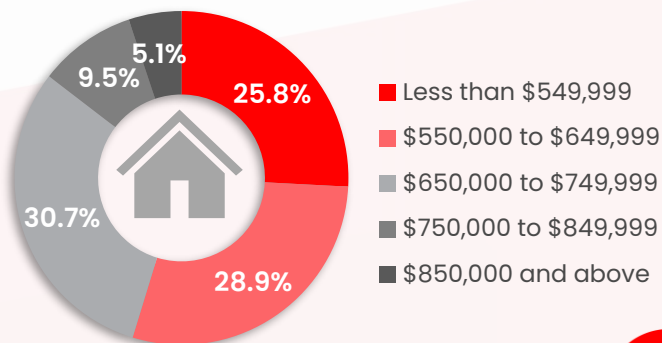
The market comparison graph provides a comparative trend of the median house prices over the past 5 years. The main LGA chosen was based on its proximity to the main suburb analysed, which is Success*.



PRICE BREAKDOWN 2023#

HOUSES SOLD

UNITS SOLD






RENTAL GROWTH 2023€

House rental yields in Success[¥] was 5.7% in December 2023, higher than Perth Metro (4.4%). This was paired with a 13.8% increase in median house rent in the past 12 months to Q4 2023, to \$660 per week, and a 50.9% increase (to 80 rentals) in the amount of houses rented. The unit rental market shows a similar pattern, thus there is high demand overall.

2 bedroom houses have provided investors with +16.3% rental growth annually, achieving a median rent of \$500 per week.

Success[¥] recorded a vacancy rate of 0.4% in December 2023, which is slightly below Perth Metro's 0.5% average. Vacancy rates in Success[¥] have held steady over the past 12 months, and did not spike up the way Cockburn City LGA did. This indicates there is stability in its rental demand. A 0.4% vacancy rate is significantly below the Real Estate of Institute Australia's healthy benchmark of 3.0%, suggesting quicker occupancy of rental properties in Success[¥]. These key indicators create a conducive and sustainable environment for investors, despite the current increase in median sale prices in the past 12 months.

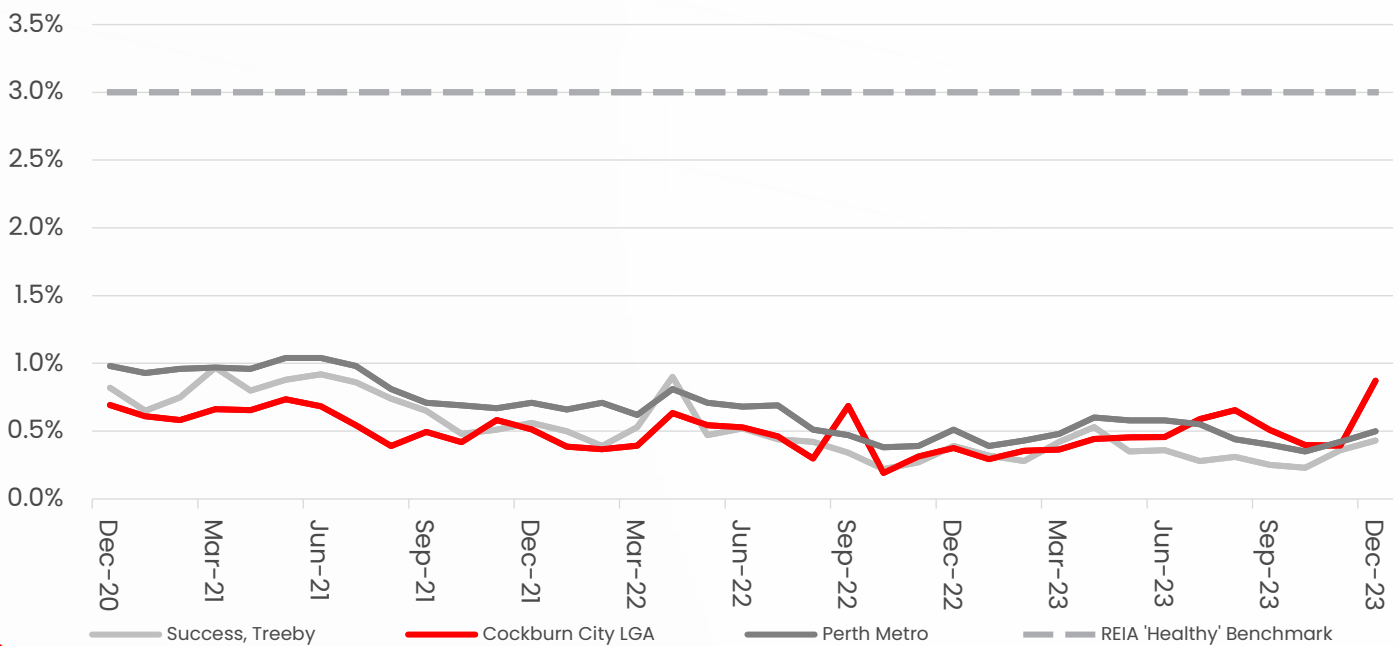
 2 BEDROOMS
+16.3%

 3 BEDROOMS
+16.0%

 4 BEDROOMS
+12.1%



RENTAL VACANCY RATES 2023



RENTAL YIELD 2023§



5.7%

Success[¥]



4.8%

Cockburn City LGA



4.4%

Perth Metro



6.2%

Success[¥]



5.7%

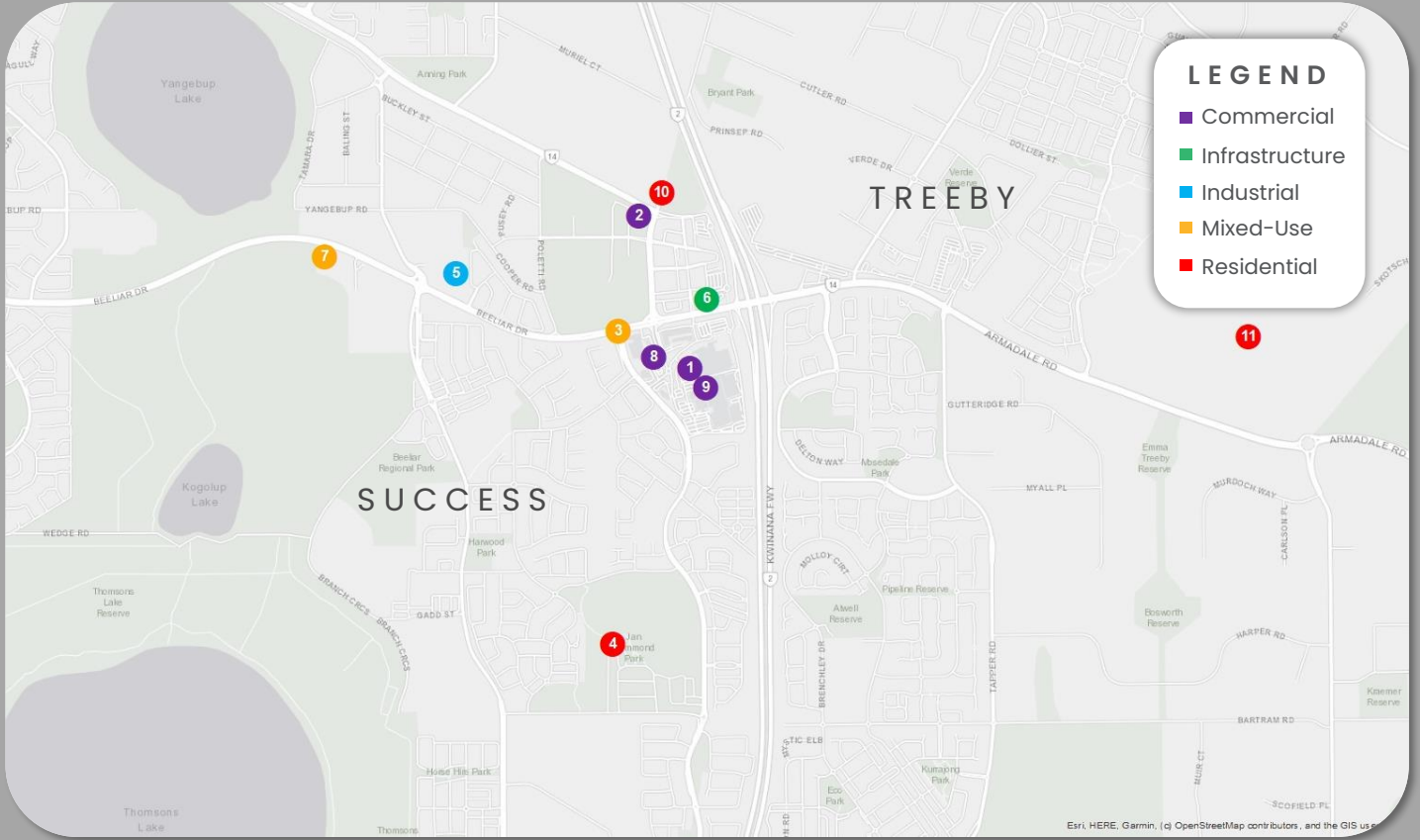
Cockburn City LGA



6.4%

Perth Metro

PROJECT DEVELOPMENT MAP 2024^A



#	Project [£]	Type	Estimated Value ^µ	Commence Date ^ψ
1	Cockburn Gateway Shopping City	Commercial	\$31,000,000	30/08/2024
2	45 Midgegooroo Avenue & Veterans Parade United Cinemas	Commercial	\$23,000,000	23/10/2024
3	810L Wentworth Parade Mixed Use Development (childcare, medical, and office)	Mixed-Use	\$7,000,000	09/10/2024
4	13 Welford Way Dwellings - 7 dwellings	Residential	\$1,750,000	07/03/2024
5	12 Argong Chase Warehouses	Industrial	\$1,500,000	29/01/2024
6	DFES Cockburn Generator & Ups Installation	Infrastructure	\$800,000	22/04/2024
7	3, 640 Beeliar Drive Warehouse & Showroom Conversion (industrial and commercial)	Mixed-Use	\$300,000	24/01/2024
8	McDonalds Success Fast Food Restaurant Alterations & Additions	Commercial	\$250,000	31/01/2024
9	816 Beeliar Drive Tavern Alterations & Additions	Commercial	\$250,000	14/08/2024
10	Kentucky Court Apartments Stages 2 & 3 - 173 apartments	Residential	\$49,979,000	21/12/2024
11	Lake Treeby Residential Master Plan Community (ongoing project since 2022) - (469 Lots)	Residential	N/A	04/04/2022

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- Geographic information mapping
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REFERENCES

* Success market data and key indicators encapsulates aggregate property market conditions within the suburbs of Success, Cockburn Central and Treeby.

** 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 all of 2023 (01/01/2023 – 31/12/2023).

€ Annual rental growth is a comparison between Q4 2022 (01/10/2022 – 31/12/2022) and Q4 2023 (01/10/2023 – 31/12/2023) house median rent figures.

¥ Success rental market data encapsulates aggregate property conditions within the postcode of 6164.

§ Rental yields shown are as reported as of December 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 Success, Cockburn Central and Treeby.

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 Pricfinder, Cordell Connect database, SQM Research, Esri ArcGIS.

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