

Kogarah Market Update 1st Half 2024

OVERVIEW

In Q1 2024, Kogarah* recorded a median house price of \$1,627,500, and a median unit price of \$700,000. This represents annual (Q1 2023 – Q1 2024) median price growth of 8.5% for houses and minor price softening of -1.2% for units. Sales decreased between Q1 2023 – Q1 2024, by -5.2% (to 73 sales) for houses and -11.6% for units (to 228 sales). Confidence has returned to Kogarah*, with an undersupply in the houses market. This created a buffer against higher interest rates, thus a price growth. Conversely units have become more affordable, and with ample stock planned for development now is an ideal time to enter the market.

CHANGE FROM LAST YEAR HALF YEAR



HOUSE SALES



HOUSE MEDIAN PRICE



HOUSE RENTAL PRICE



UNIT SALES



UNIT MEDIAN PRICE

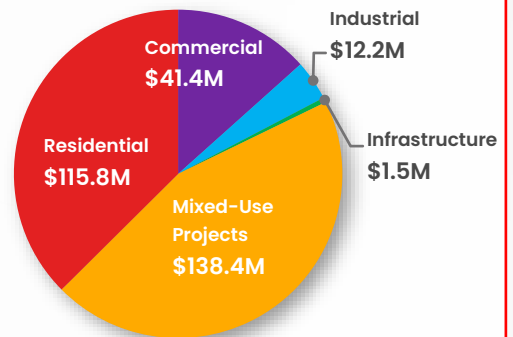


UNIT RENTAL PRICE



FUTURE DEVELOPMENTS

Kogarah* is set to see approximately **\$309.2M worth of new projects commencing in 2024.**



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

There are several residential projects planned for construction throughout 2024, delivering 819 units/apartments in total. Projects that are specifically located in Kogarah include:

- 11 Stanley Street & 28-36 Victoria Street (96 units)
- The Rise Kogarah Mixed-Use Development (47 apartments)
- 16/22A Gladstone & Victoria Street (77 apartments)
- 13/21 Wyuna Street (64 Units)
- 570 Princess Highway (79 units)

Although there is a high number of units planned, there is an absence of new stand-alone houses. With the house market undersupplied this will continue to push up house prices.



819 Units/
Apartments



MARKET CONDITIONS

MEDIAN PRICE
Q1 2024



\$1.63M



\$700K

SALES

AVERAGE DAYS
ON MARKET Q1 2024



HOUSE



UNIT

MEDIAN PRICE
Q1 2024



\$850



\$650

RENTALS

AVERAGE DAYS
ON MARKET Q1 2024



HOUSE

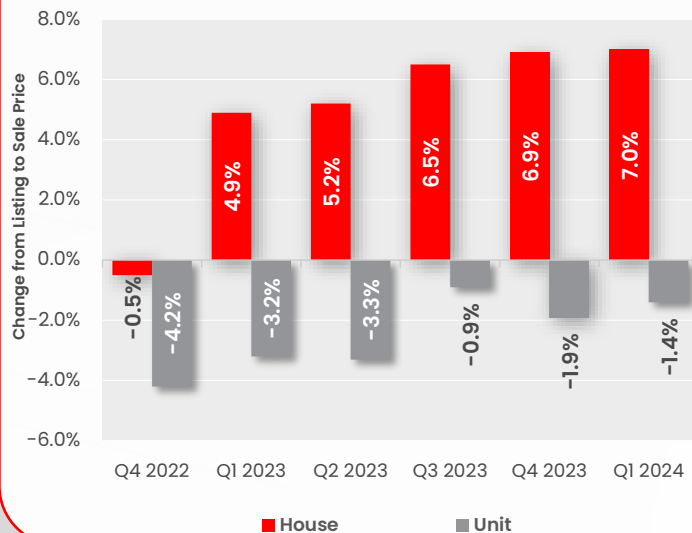


UNIT



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.



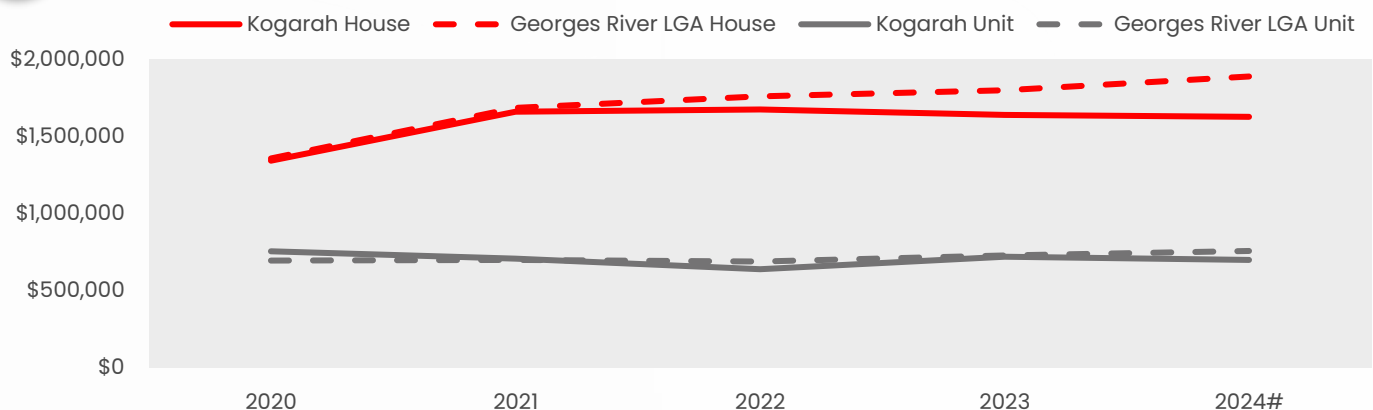
Average house vendor discounts between Q1 2023 and Q1 2024 have increased further, to a premium of 7.0% for houses. Average unit vendor discount have tightened to a discount of -1.4%. The house market continue to favour sellers, where buyers must offer above the first list price. Unit buyers can still benefit from a discount, however this is getting lower. Thus time is of the essence.

The suburb of Kogarah has historically been on par with the wider Georges River Local Government Area (LGA), in both house and unit median prices. This said, 2024# saw the wider Georges River LGA becoming a more premium house market, while units continue to track on par.

The dominant proportion of homes sold in Kogarah* across 2023/24# were in the premium price bracket of above \$1,750,001 (38.2%). That said 31.2% were sold in the most affordable price point of less than \$1,450,000; which suggest both owners and buyers can benefit. Units on the other hand recorded a dominant more affordable price point between \$550,000 and \$649,999 (26.0%), which creates an opportunity for first home buyers.



MARKET COMPARISON

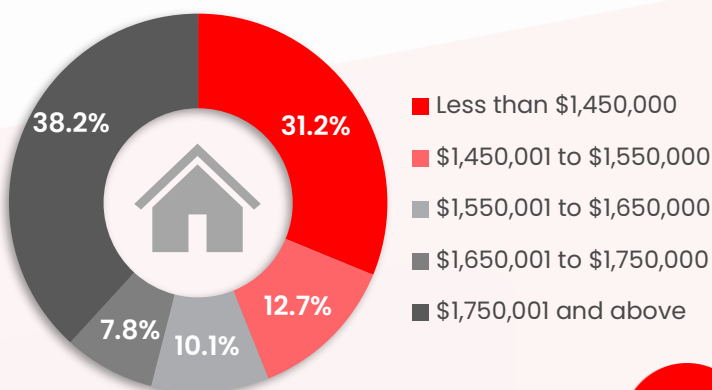


The market comparison graph provides a comparative trend for the median price of houses and units in the past 5 years. The LGA profiled was chosen based on their proximity to the main suburb analyzed, which is Kogarah.

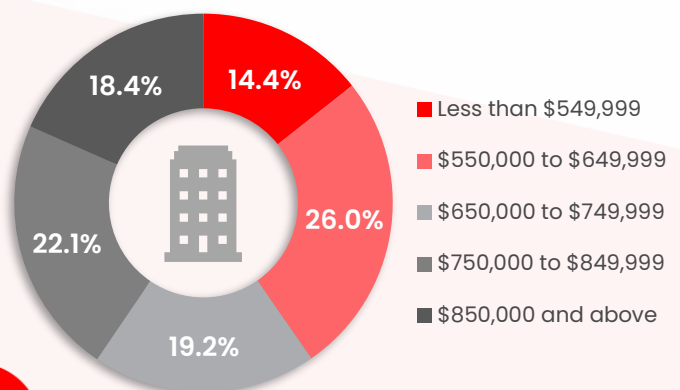


PRICE BREAKDOWN 2023-2024#

HOUSES SOLD



UNITS SOLD





RENTAL GROWTH 2024€

House rental yields in Kogarah[‡] was 3.2% in March 2024, higher than the wider Georges River LGA (2.5%) and Sydney Metro (2.9%). This was paired with a 13.3% increase in median house rental price in the past 12 months to Q1 2024, at \$850 per week, and a 1.7% increase in the number of houses rented (at 119 houses). The unit rental market shows a similar pattern, confirming a highly demanded rental market in Kogarah[‡], which is good news for investors.

2-bedroom houses have provided investors with +18.9% rental growth annually, achieving a median rent of \$630 per week.

Kogarah[‡] recorded a vacancy rate of 0.9% in March 2024, slightly below Sydney Metro's 1.1% average. Vacancy rates in Kogarah[‡] have held relatively steady over the past 12 months, indicating stability in its rental demand. Further, a 0.9% vacancy rate is significantly below the Real Estate Institute of Australia's health benchmark of 3.0%, thus quicker occupancy of rental properties. These key indicators create a conducive and sustainable environment for investors, despite the increase in median sale price (thus entry price) in the past 12 months.

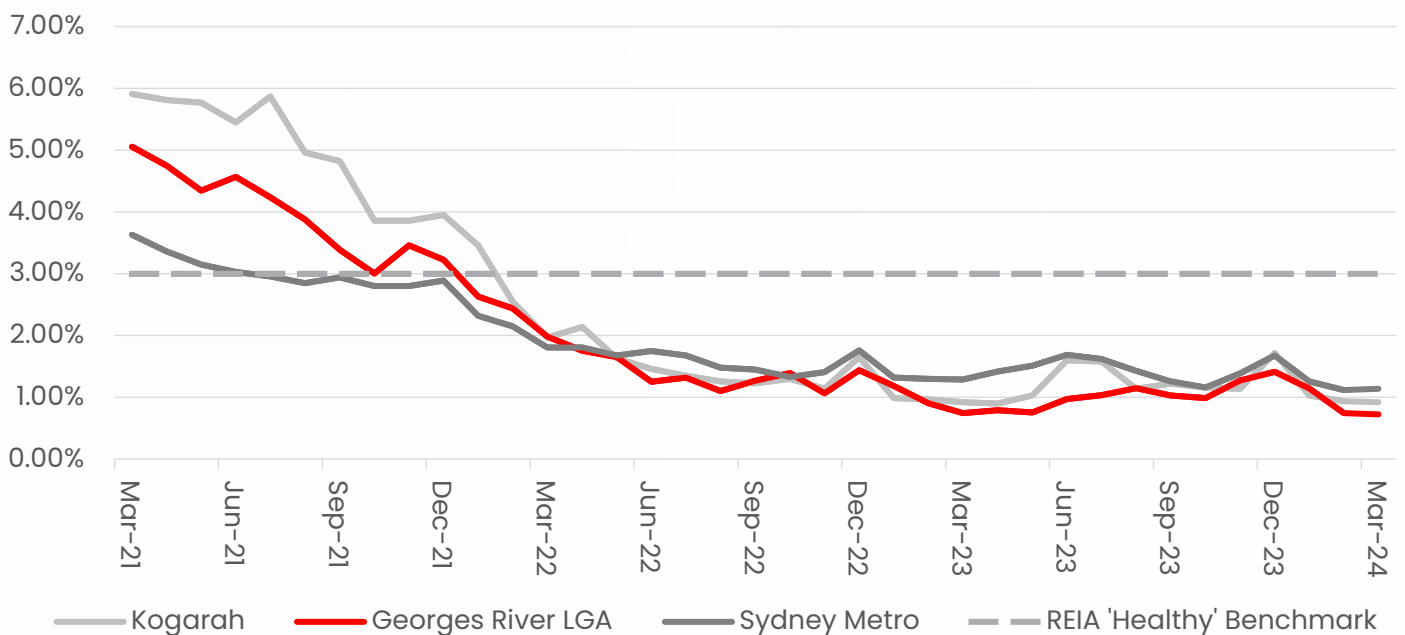
2 BEDROOMS
+18.9%

3 BEDROOMS
+14.3%

4 BEDROOMS
+12.6%



RENTAL VACANCY RATES 2024



RENTAL YIELD 2024§



3.2%

Kogarah
(2217)[‡]



2.5%

Georges
River LGA



2.9%

Sydney
Metro



4.6%

Kogarah
(2217)[‡]



5.4%

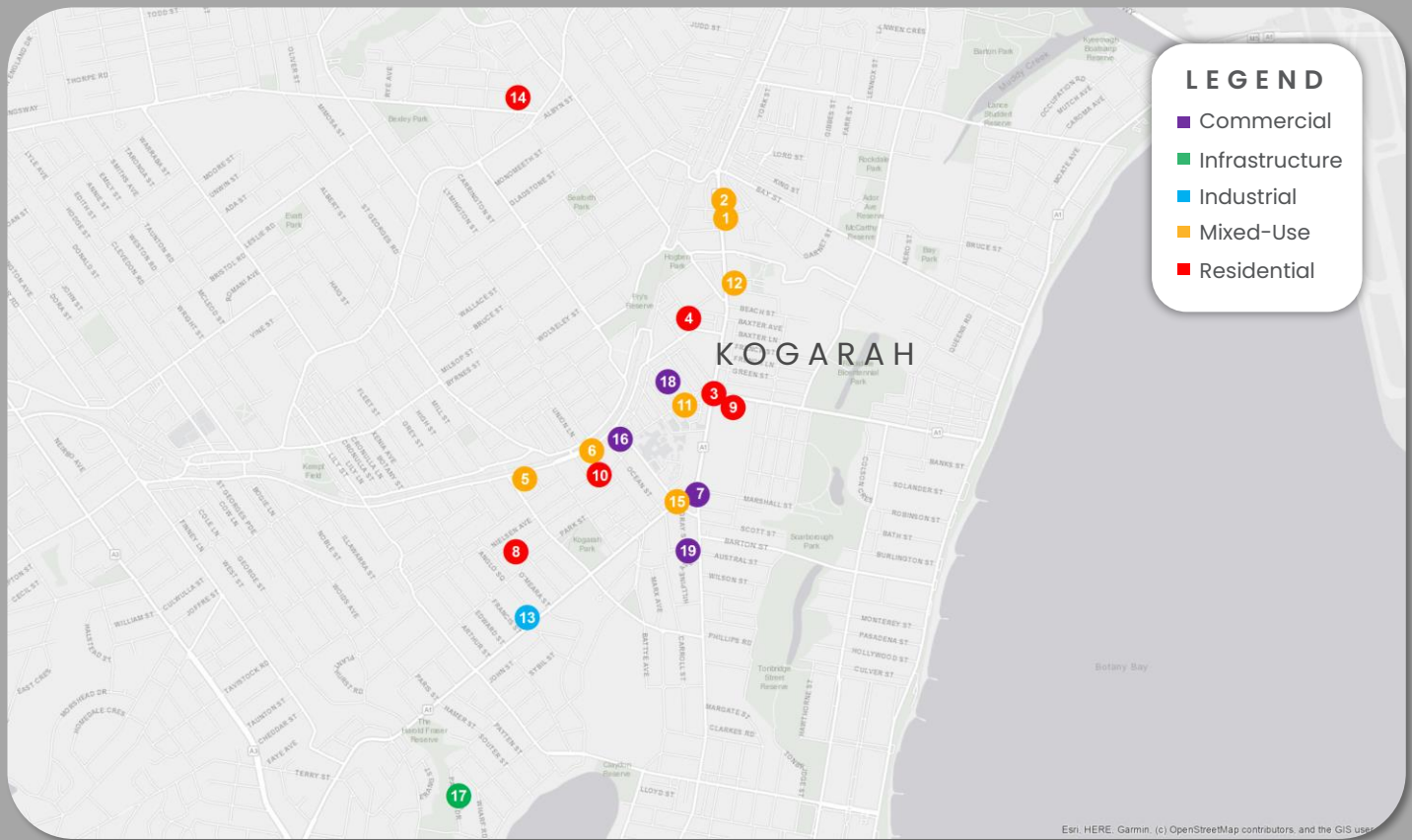
Georges
River LGA



4.6%

Sydney
Metro

PROJECT DEVELOPMENT MAP 2024^A



| # | Project [£] | Type | Estimated Value ^µ | Commence Date ^ψ |
|----|---|----------------|------------------------------|----------------------------|
| 1 | 588-592 Princes Highway Units & Commercial (Residential - 129 Units and Commercial) | Mixed-use | \$37,363,693 | 05/10/2024 |
| 2 | 570 Princes Highway Units & Commercial Tenancy (Residential - 79 Units and Commercial) | Mixed-use | \$30,632,676 | 12/09/2024 |
| 3 | 11 Stanley Street & 28-36 Victoria Street The Victoria Units (96 Units) | Residential | \$29,840,000 | 09/09/2024 |
| 4 | 18-24A Victoria Street Apartments (50 Apartments) | Residential | \$21,482,000 | 07/10/2024 |
| 5 | Railway Parade Mixed Use Development Stage 2 (Residential - 56 Apartments and Retail) | Mixed-use | \$20,000,000 | 18/03/2024 |
| 6 | The Rise Kogarah Mixed Use Development (Residential - 47 Apartments and Commercial) | Mixed-use | \$18,570,935 | 17/09/2024 |
| 7 | 8-10 Princes Highway Commercial Development | Commercial | \$18,507,000 | 01/07/2024 |
| 8 | 13-21 Wyuna Street Units - Bayside (64 Units) | Residential | \$16,421,000 | 05/09/2024 |
| 9 | 16-22A Gladstone & Victoria Streets Apartments (77 Apartments) | Residential | \$16,200,000 | 07/10/2024 |
| 10 | 1-7 Bowns Road Apartments (55 Apartments) | Residential | \$15,808,000 | 24/06/2024 |
| 11 | 21 Hogben Street Apartments & Retail (Residential - 46 Apartments and Retail) | Mixed-use | \$14,069,000 | 08/11/2024 |
| 12 | 646 - 652 Princes Highway & 1-3 Ashton Street Mixed Use Development (Residential - 61 Units and Retail) | Mixed-use | \$13,400,000 | 24/08/2024 |
| 13 | 297 Princes Highway Storage King | Industrial | \$12,206,740 | 06/11/2024 |
| 14 | Abercorn Street Units (25 Units) | Residential | \$8,917,535 | 18/07/2024 |
| 15 | 28 Princes Highway Apartments & Commercial (Residential - 12 Apartments and Commercial) | Mixed-use | \$4,375,000 | 12/08/2024 |
| 16 | 3 Gray Street Boarding House | Commercial | \$3,677,000 | 15/04/2024 |
| 17 | Charles Pirie Reserve Sports Lighting Upgrade (Local Government) | Infrastructure | \$750,000 | 26/08/2024 |
| 18 | Delphi Bank Kogarah Fit out | Commercial | \$511,000 | 16/09/2024 |
| 19 | 2 Shaw Street Boarding House | Commercial | \$498,018 | 20/09/2024 |



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REFERENCES

* Kogarah sales market data and key indicators encapsulates aggregate property market conditions within the Beverley Park, Bexley, Carlton, Kogarah, Kogarah Bay and Rockdale.

** Estimated values are based on construction value provided by the relevant data authority and does not reflect commercial and/or re-sale value.

2024 encapsulates sales transactions for Q1 2024 (01/01/2024 – 31/03/2024) only, other years encapsulates sales transactions for the full year (i.e 01/01 to 31/12 of the relevant year).

€ Annual rental growth is a comparison between Q1 2023 (01/01/2023 – 31/03/2023) and Q1 2024 (01/01/2024 – 31/03/2024) house median rent figures.

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

§ Rental yields shown are as reported as of March 2024.

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

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