

Kogarah Market Update 2nd Half 2024

OVERVIEW

In Q3 2024, Kogarah* recorded a median house price of \$1,901,000, and a median unit price of \$745,500. This is an annual (Q3 2024 – Q3 2024) price growth of 17.3% for houses and 2.8% for units. Comparing Q3 2023 – Q3 2024, sales declined by -27.3% for houses (to 93 sales in Q3 2024) and by -25.5% for units (to 238 sales in Q3 2024). An undersupply in the market, for both houses and units, has created a buffer against higher interest rates; hence price growth. With prices continuing to rise, now is an ideal time for owners to capitalise on their investments. Most of the new incoming stock are units, which presents 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

MEDIAN PRICE
Q3 2024



\$1.9M



\$745K

SALES

AVERAGE DAYS
ON MARKET Q3 2024



HOUSE



UNIT

MEDIAN PRICE
Q3 2024



\$800



\$680

RENTALS

AVERAGE DAYS
ON MARKET Q3 2024



HOUSE

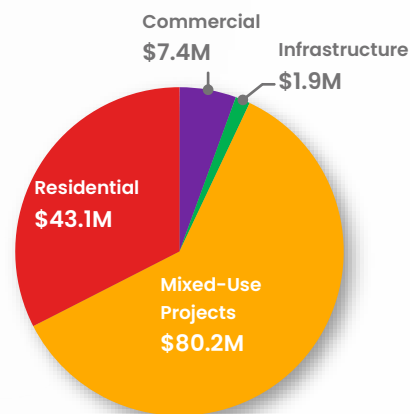


UNIT



FUTURE DEVELOPMENTS

Kogarah is set to see approximately **\$132.7M of new projects commencing construction in 2024.**



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

There are multiple residential and mixed-use projects planned for 2024 that will help boost supply, including:

- 648-652 Princes Highway & 1-3 Ashton Street (61 Units)
- 13-21 Wyuna Street Units – Bayside (64 Units/Townhouses)
- 10 Victor Street & Gladstone Street Mixed Use Development (32 Units)
- Princes Highway Apartments (58 Apartments)
- Shaw Street Apartments & Commercial (11 Apartments)

Although new stock is planned, all are units. This will answer some demand, but it is not enough. The absence in new houses suggest an undersupply will remain, thus pushing up prices.

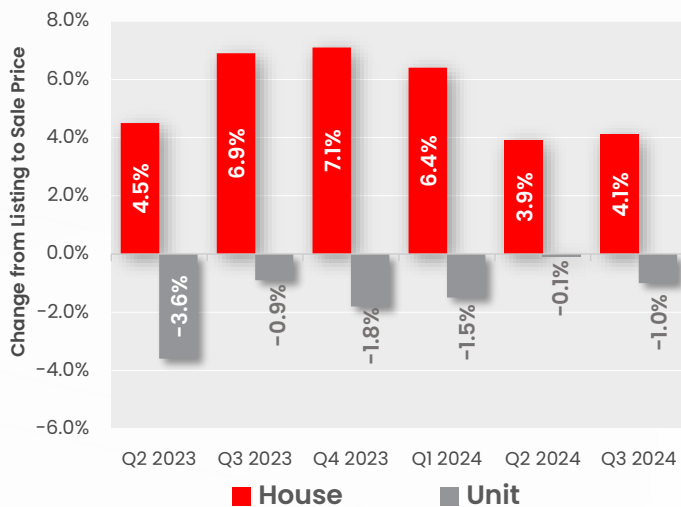


192 Units/
Apartments

%

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.



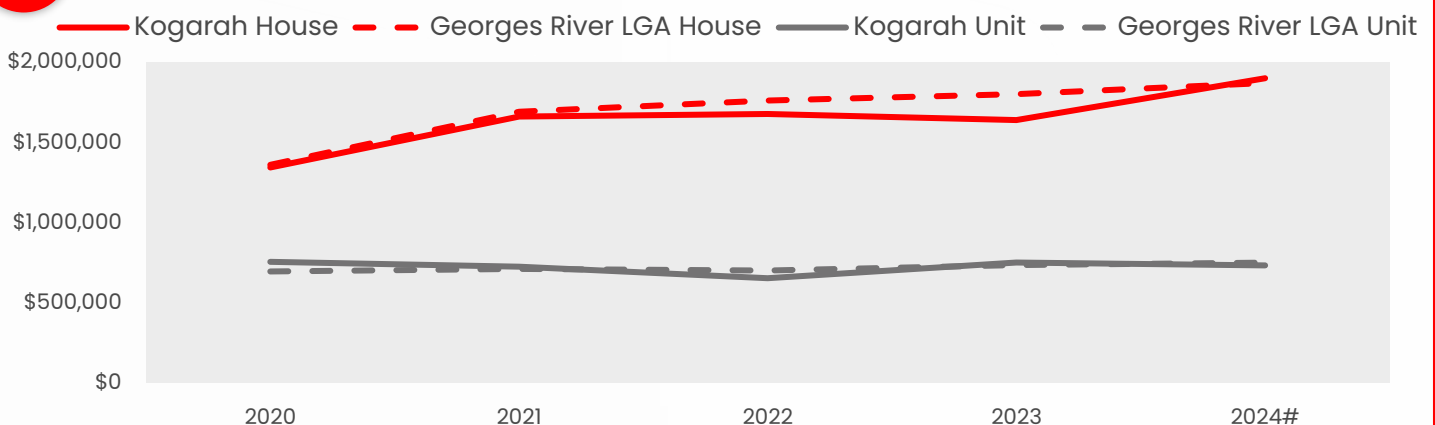
In the past 12 months to Q3 2024 average house vendor discount have continue to be a premium, however at a slightly lower rate of 4.1%. Average unit vendor discount have remained stable, at -1.0%. The house market still favour sellers, where buyers must offer higher than the first list price. Units still favour buyers, however the room to negotiate is quite small – thus unit buyers must act fast.

The suburb of Kogarah has historically been on par with the wider Georges River Local Government Area (LGA). In 2024# this trend has continued for both house and unit median prices, with median house prices in the suburb rising to meet the wider LGA.

The dominant proportion of homes sold in Kogarah* in 2024# was in the more affordable price point of \$1,749,999 and below (44.7%). Whilst house prices remain quite high in Kogarah*, with the premium market of \$2,050,000 and above accounting for 33.2% of sales, this indicates that there is still affordable options for first homes buyers. Most of the units sold were in the most affordable (33.2%) and premium (29.4%) price brackets, thus there is a home for every budget in Kogarah*.



MARKET COMPARISON

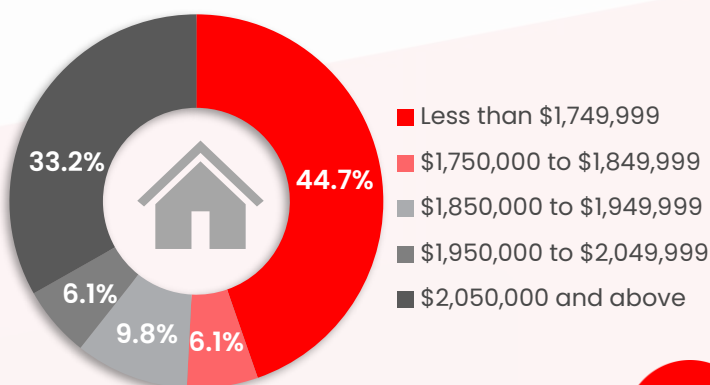


The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Kogarah.

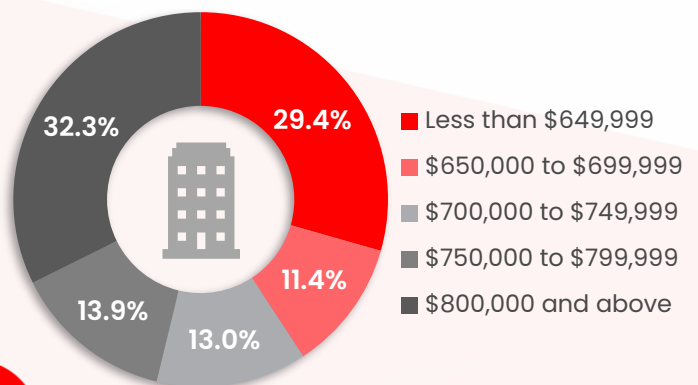
\$

PRICE BREAKDOWN 2024#

HOUSES SOLD



UNITS SOLD



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RENTAL GROWTH 2024€

House rental yields in Kogarah* was 3.2% in September, slightly above Sydney Metro (2.8%). This was paired with a 2.6% increase in median rent price in the past 12 months to Q3 2024, at \$840 per week. The number of houses rented decreased by -12.6% in the past 12 months, to 104 rentals in Q3 2024; which suggests an undersupply. Similarly, median unit rent price rose by 6.3% to \$680, but the number of units rented increased, by 8.2% to 630 units in Q3 2024. This suggests a highly demanded unit rental market. Overall, this is good news for investors.

3-bedroom houses have provided investors with +6.3% rental growth annually, achieving a median rent of \$850 per week.

Kogarah* recorded a vacancy rate of 1.7% in September 2024, slightly above Georges River LGA's 1.5% and Sydney Metro's 1.6% average. Vacancy rates in Kogarah* have generally trended upwards in the past 12 months, due to investors returning to market as cash rates stabilised. That said, a 1.7% vacancy rate is still significantly below the Real Estate Institution of Australia's healthy benchmark of 3.0%, suggesting quicker occupancy of rental homes.



2 BEDROOMS

+1.5%



3 BEDROOMS

+6.3%

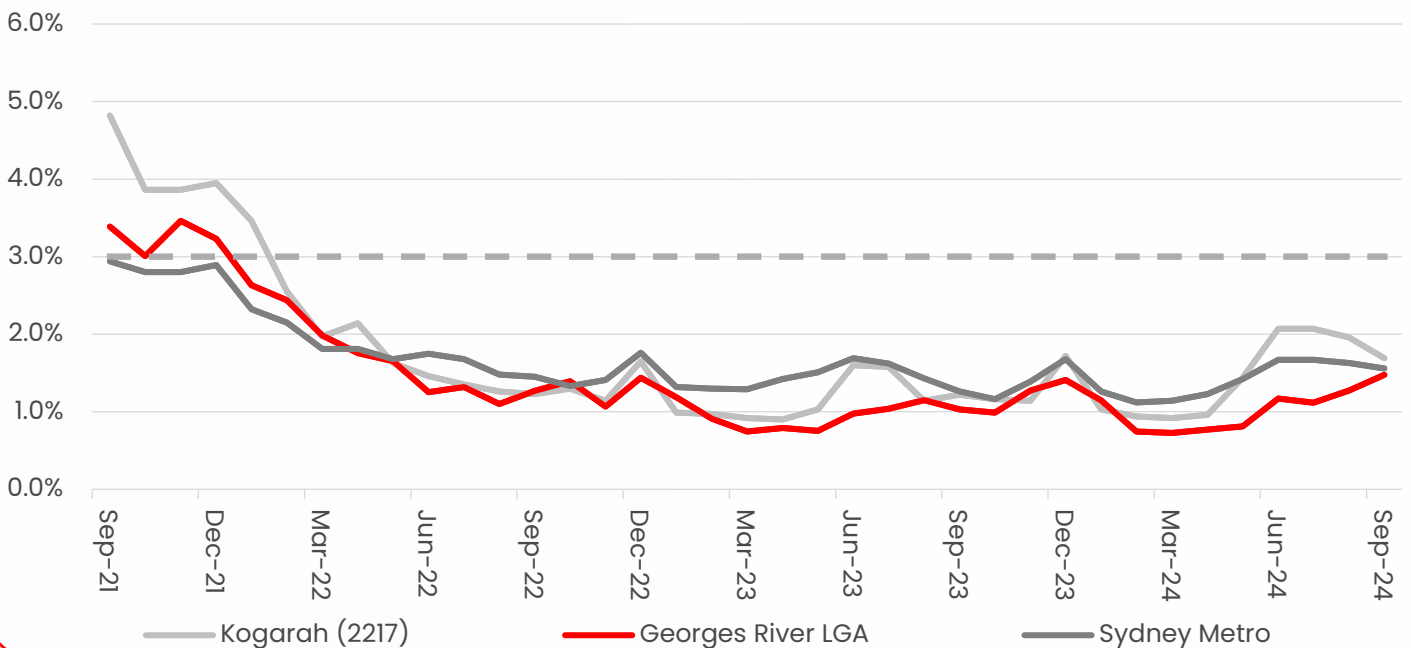


4 BEDROOMS

+4.8%



RENTAL VACANCY RATES 2024



RENTAL YIELD 2024§



3.2%

Kogarah
(2017)*



2.6%

Georges
River LGA



2.8%

Sydney
Metro



4.9%

Kogarah
(2017)*



5.1%

Georges
River LGA

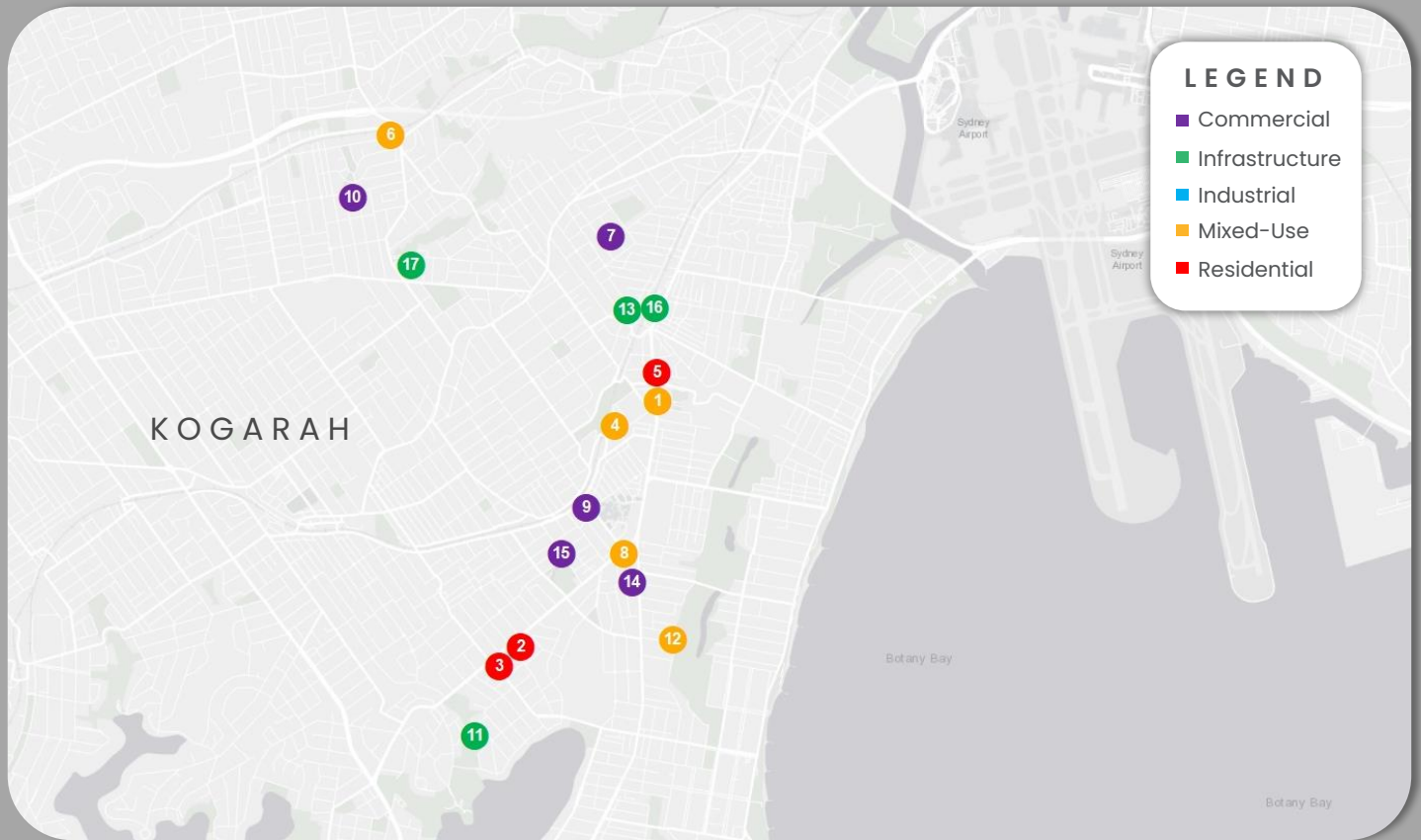


4.4%

Sydney
Metro

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PROJECT DEVELOPMENT MAP 2024^A



| # | Project ^E | Type | Estimated Value ^F | Commence Date ^G |
|----|---|----------------|------------------------------|----------------------------|
| 1 | 648 – 652 Princes Highway & 1-3 Ashton Street Serenity Gardens (61 Units) | Mixed-Use | \$51,260,000 | 19/02/2024 |
| 2 | 13-21 Wyuna Street Units – Bayside (64 Units) | Residential | \$16,421,000 | 5/09/2024 |
| 3 | 68-72 Park Road Residential Building | Residential | \$14,000,000 | 19/09/2024 |
| 4 | 10 Victor Street & Gladstone Street Mixed Use Development (32 Units/Shops) | Mixed-Use | \$13,305,000 | 29/10/2024 |
| 5 | Princes Highway Apartments (58 Apartments) | Residential | \$12,722,000 | 10/01/2024 |
| 6 | Shaw Street Apartments & Shops (11 Apartments/Shops) | Mixed-Use | \$6,856,000 | 10/05/2024 |
| 7 | Carino Care Rockdale Alterations & Additions | Commercial | \$4,675,000 | 1/08/2024 |
| 8 | 28 Princes Highway Apartments & Commercial (12 Apartments/Commercial spaces) | Mixed-Use | \$4,375,000 | 14/10/2024 |
| 9 | 3 Gray Street Boarding House | Commercial | \$3,677,000 | 15/04/2024 |
| 10 | Boules Artistes Petanque Club Alterations & Additions | Commercial | \$1,732,500 | 27/02/2024 |
| 11 | Charles Pirie Reserve Sports Lighting Upgrade (Local Government) | Infrastructure | \$750,000 | 26/08/2024 |
| 12 | 33 Phillips Road Industrial Development (Depot/Vehicle Repair Station/Storage Premises) | Mixed-Use | \$750,000 | 2/07/2024 |
| 13 | Rockdale Station Lift (State Government) | Infrastructure | \$592,976 | 29/07/2024 |
| 14 | 2 Shaw Street Boarding House | Commercial | \$498,018 | 8/08/2024 |
| 15 | 45 English Street Co-living Housing Conversion | Commercial | \$495,000 | 30/08/2024 |
| 16 | Rockdale Train Station Resurfacing Works (State Government) | Infrastructure | \$329,679 | 1/10/2024 |
| 17 | Bexley Depot Mechanical Services Hvac Upgrade (Local Government) | Infrastructure | \$254,670 | 17/08/2024 |



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- Geographic information mapping
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REFERENCES

* Kogarah sales market data and key indicators encapsulates aggregate property market conditions within the suburbs of 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 - Q3 (01/01/2024 – 30/09/2024) 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 Q3 2023 (01/07/2023 – 30/09/2023) and Q3 2024 (01/07/2024 – 30/09/2024) 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 October 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 Pricerfinder, Cordell Connect database, SQM Research, Esri ArcGIS.

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