

Dapto Regional Map

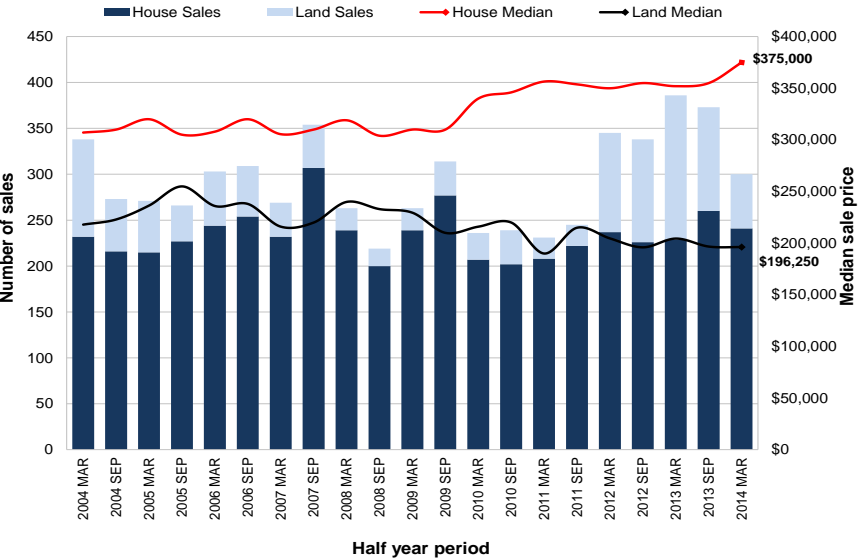


The following Property Watch report analyses the trends and performance of the Dapto region residential market. Dapto is located just south of Wollongong in the Illawarra region and consists of a 13 suburbs all of which cover the 2530 postcode as shown in the Dapto regional map.

Dapto is located approximately 85 kilometers south of Sydney and is well connected to its surrounds thanks to proximity to the Princes, Hume and Illawarra Motorway's. There is also a regional airport and nearby train stations which provides easy access Australia wide. Dapto has a diverse range of dwellings types ranging from stylish villas to large semi rural lifestyle properties which provides opportunities for a variety of buyers.

This Property Watch report will aim to further highlight the regions characteristics, analyse the market and forecast the future trends of Dapto.

Dapto House & Unit Sales Cycle



The Dapto property market is dominated by houses and townhouses thanks to demographic demands. In the annual period to March 2014 the market recorded 501 sales which is an 10 per cent rise in transactions over 12 months. Over the same period median prices grew by a strong 6 per cent while over 10 years median prices have grown a marginal 2.2 per cent per annum.

The vacant land market has historically been a small portion of the Dapto property market however 2012 saw a resurgence in activity. In the annual period to January 2014 172 sales were recorded which is an increase of 21 per cent over the past two years. Over the same period median prices have been level. The land market recovery can be traced back to new subdivisions increasing in demand and shortage of overall supply.

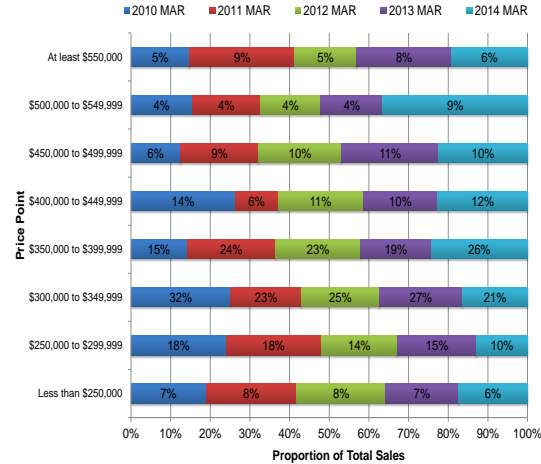
“IT’S DEFINITELY A SELLERS MARKET IN DAPTO WITH DEMAND EASILY EXCEEDING SUPPLY”

- Tracey McDonald, General Manager, PRDnationwide Dapto



Rural Dapto

Dapto House Price Points



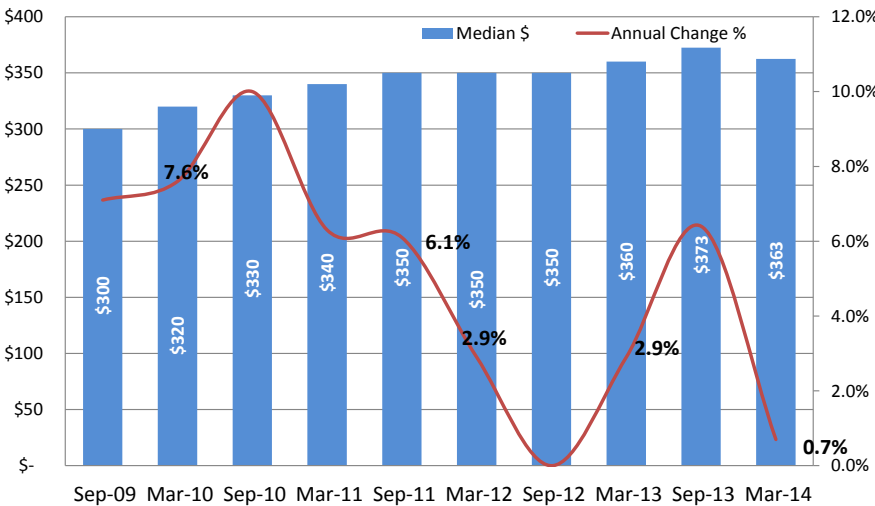
The Dapto price point chart indicates the shifts in house prices across the area over the past five years. Overall the middle of the market has recorded the strongest growth due to young families recognising the value for money that the areas offers which has pushed affordable stock into higher price points.

The price point that increased the most was the \$350,000 to \$399,999 range which over five years has grew a strong 11 per cent. This price point typically affords a three bedroom house/townhouse which is a popular property type for both owner occupiers and investors.

The price point that dropped the most in activity was the \$300,000 to \$349,000 range which dropped by 11 per cent since 2009 while the \$300,000 and below range also recorded a significant decline. This is due to demand for mid sized houses increasing which has pushed many properties into the next price point. New developments should see strong increases in the higher end of the market moving forward while the \$350,000 and below range should continue to shrink.

Dapto Rental Analysis

Three Bedroom 5 Year Rental Performance



The Dapto rental market has recorded minimal growth recently. The vast majority of rental properties in the area are three bedrooms and at the close of the March 2014 rental period, median rents for this dwelling type had registered average weekly return of \$363 per week which represents a marginal increase of 0.7 per cent over the previous year. Over the five year period growth has been stronger with an average rise of 4.2 per cent.

Currently average yield sits at a strong 5.41 per cent. Over a long term period yield has been continually decreasing, it is believed this is due to investors identifying capital growth opportunities rather than income from rent. It is expected that yield will continue to decrease as investors carry on with this style of investing.

Dapto Development Pipeline

Dapto and the surrounding Wollongong Local Government Area are currently experiencing over \$4 billion worth of investment in development. There is a mix of large scale infrastructure pipeline, unit/townhouse developments and land subdivisions which should see the regional population and economy grow.

By far the most ambitious project in the region is the planned \$638 million Port Kembla Outer Harbour Development which will see the reclamation of 42 hectares and will dramatically improve access for commercial vessels. This is a long term project which is expected fuel continual job growth. Another key development that will positively effect the economy is the Tallawarra Lands redevelopment which will eventually include 1,000 residential lots, commercial and light industrial properties.



Port Kembla
Source: Port Kembla Corporation