

KINGSGROVE AREA

Property Watch®



Kingsgrove's new Pottery development

MARKET OVERVIEW

The following report investigates the Kingsgrove area's residential property market. Located between the St George and Sydney's South-western regions the area has experienced strong enquiry from second home buyers and young professionals in the year to August 2013.

Houses experienced a spike in sales, with activity increasing by 14 per cent from August 2012 and reaching levels not seen since August 2010. Most house enquiry came from owner occupiers who looked to upgrade their accommodation while remaining in a central location. Unable to purchase in the Inner West, young families favoured Kingsgrove as a middle-ring location which offered good links to road and rail infrastructure while also providing shopping and recreation facilities.

The area's median house price rose since the start of 2012, closing the August 2013 period at \$755,000. An eight per cent price rise in the 12 months to August pointed to strong competition over limited listings, where auction-driven bidding resulted in record prices.

The House Price Point chart (on the next page) highlighted growth in the \$800,000 to \$899,999 price bracket while the number of houses selling for \$500,000 or less declined; the decline saw this price bracket contract from 35 per cent of transactions in August 2008 to six per cent for the corresponding 2013 period. Most houses transacted in the \$700,000 to \$799,999 price point, accounting for almost one third (32 per cent) of sales.

At the bottom end of the market a house on Kingsgrove's Rosebank Avenue sold for \$315,000 in March, while toward the top end a four-bedroom house on Westbrook Street, Beverly Hills sold for \$1,300,000.

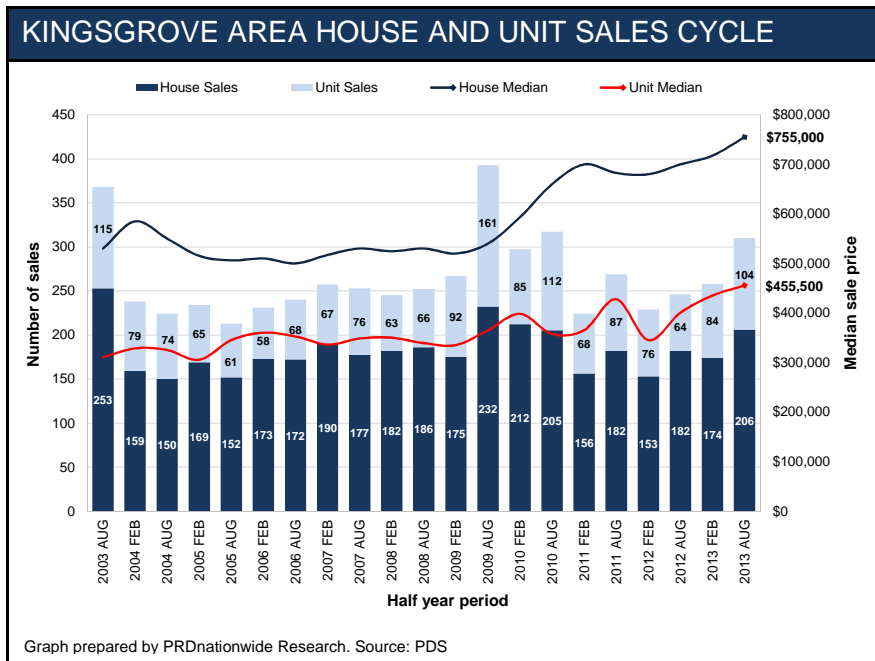
MARKET INDICATORS

Change from Last	Year	Half Year
HOUSE SALES	↑	↑
HOUSE MEDIAN	↑	↑
HOUSE RENTS	↑	↔
UNIT SALES	↑	↑
UNIT MEDIAN	↑	↑
UNIT RENTS	↑	↑

The indicators depicted above are based on the year ending August 2013. Rental indicators are based on 12 months to Sep 2013.

KEY HIGHLIGHTS

- An 8% rise in median house price over the 12 months to August pointed to strong competition over limited listings, where auction-driven bidding resulted in record prices.
- The median unit price increased by 13.7% since August 2012, closing the period at \$455,500.
- Kingsgrove area's rental market showed resilience despite some tenants turning into home owners.



HOUSE PRICE POINTS
SIX MONTHS TO AUGUST 2008-2013

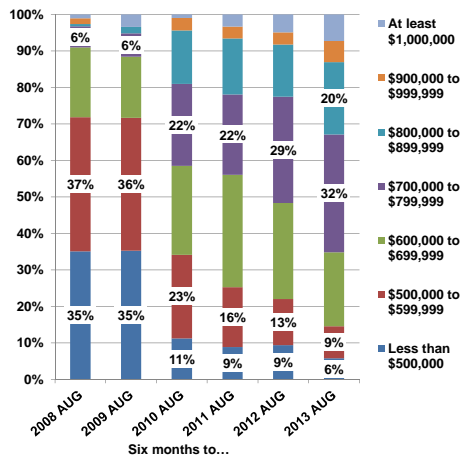


Chart prepared by PRDnationwide Research. Source: PDS

Unable to purchase in the **Inner West**, young families favoured **Kingsgrove** as a middle-ring location which offered **good links** to road and rail infrastructure while also providing **shopping and recreation facilities**

Unit activity increased markedly in the August 2013 half year, registering 104 transactions. Sales in Beverly Hills increased from 19 in the August 2012 half year to 43 in the current August period, while Kingsgrove sales increase by 11 transactions. Demand came from locals and inner city buyers seeking affordable accommodation close to transport routes. The largest concentration of sales occurred in buildings located within walking distance to the Beverly Hills train station.

The median unit price recorded a 13.7 per cent rise from August 2012, closing the period at \$455,500. The Unit Price Point chart exhibited contraction in the share of sales under \$200,000 and in the \$200,000 to \$299,999 price point, together representing a total of 39 per cent of transactions in 2008 and only 13 per cent in the six months to August 2013. Stock included units in three-storey buildings, often on or close to main arteries, while villas and townhouses populated streets further away from the town centres.

The \$600,000 to \$699,999 price point registered large increases between August 2008 and the corresponding period in 2012, but showed no change in the 12 months to August 2013. The highest and lowest transactions were recorded in Roselands, with a duplex on Ridgewell Street selling for \$750,000 in August, while toward the bottom end a unit on Chapel Street sold for \$290,000 in April.

The rental market remained steady although recent evidence pointed to a softening in rent prices. In the 12 months to September 2013 the median rent price for a two-bedroom accommodation in the 2196 postcode (Roselands) increased by 2.9 per cent while the median rent in the 2209 postal area (Beverly Hills) climbed by 7.5 per cent. The area's rental vacancy remained low despite some tenants turning into home owners, recording a vacancy rate of 1.4 per cent or less in October (vacancy below three per cent is considered tight).

UNIT PRICE POINTS
SIX MONTHS TO AUGUST 2008-2013

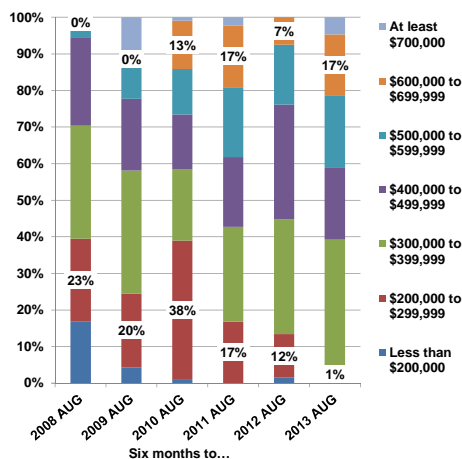


Chart prepared by PRDnationwide Research. Source: PDS

KINGSGROVE AREA SUBURB PERFORMANCE						
	SALES			MEDIAN PRICE		
	2012 Aug	2013 Aug	12-month change	2012 Aug	2013 Aug	12-month change
House						
Beverly Hills	46	66	43%	\$752,500	\$784,000	4%
Clemton Park	10	6	-40%	\$688,000	n/a	n/a
Kingsgrove	73	58	-21%	\$743,000	\$795,500	7%
Roselands	53	76	43%	\$618,000	\$640,000	4%
Unit						
Beverly Hills	19	43	126%	\$453,000	\$500,000	10%
Clemton Park	-	1	n/a	n/a	n/a	n/a
Kingsgrove	13	24	85%	\$490,000	\$529,000	8%
Roselands	32	36	13%	\$324,000	\$376,500	16%

Graph prepared by PRDnationwide Research. Source: PDS

The Suburb Performance chart above indicated a general increase in the median price of both attached and detached dwellings and an overall rise in activity. While house sales increased in Beverly Hills and Roselands, declines were recorded in Clemton Park and Kingsgrove. Unit activity increased sharply across all major suburbs, with Beverly Hills sales climbing by 126 per cent between the August 2012 half year and the corresponding period in 2013.