



# KOGARAH MARKET UPDATE 2nd Half 2019



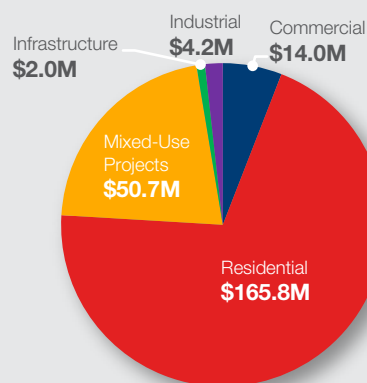
## OVERVIEW

In Q3 2019, Kogarah\* recorded a median house price of \$1,128,000, and a median unit price of \$629,950. This represents annual (Q3 2018 – Q3 2019) median price softening of -10.8% for houses and price stability for units. At the same time, total sales improved for Q3 2019, up by 22.4% for houses (to 71 sales) and by 38.1% for units (to 163 sales). A 6-month price growth is also evident for both property types, thus now an ideal time to transact in Kogarah\*.

	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 **\$236.7M worth of new projects commencing in the 2<sup>nd</sup> half of 2019.**



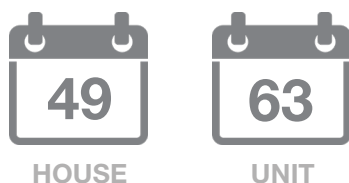
A focus on residential projects will help ensure local housing supply is sufficient for additional demand caused by population growth, which will assist in keeping prices at sustainable levels. A mix of other sectors will also benefit Kogarah\* by generating business activity, thus providing local job opportunities for residents.

## MARKET CONDITIONS

### SALES MEDIAN PRICE Q3 2019



### SALES AVERAGE DAYS ON MARKET Q3 2019



### RENTAL MEDIAN PRICE Q3 2019



### RENTAL AVERAGE DAYS ON MARKET Q3 2019



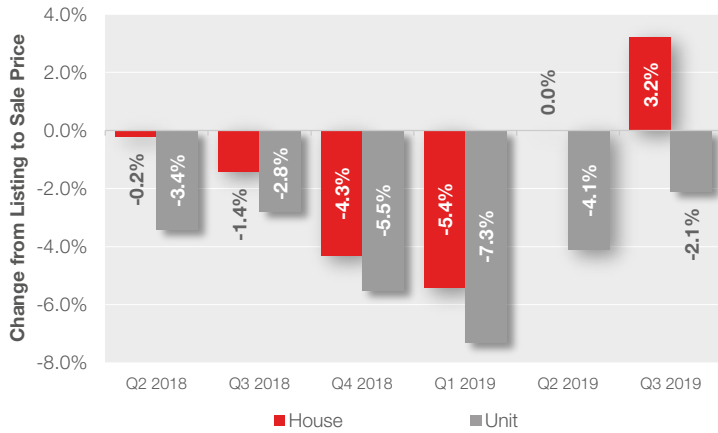
A main commercial project over the 2<sup>nd</sup> half 2019 period is the Rockdale RSL Club (\$6.0M). The project is set to redevelop and expand the club's 2-storey building to include function rooms, office space, bar, café, and a gaming area. The 11-storey residential project Stanley Street Apartments (\$44.0M) is set to add 116 apartments to the Kogarah\* area. The development comprises of 29x 1-bedroom, 66x 2-bedroom, and 21x 3-bedroom apartments.



\*Kogarah market data and key indicators encapsulates aggregate property market conditions within the suburbs 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.  
Source: APM Pricerfinder, Cordell Connect database. © Copyright PRDnationwide 2019.

## 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.



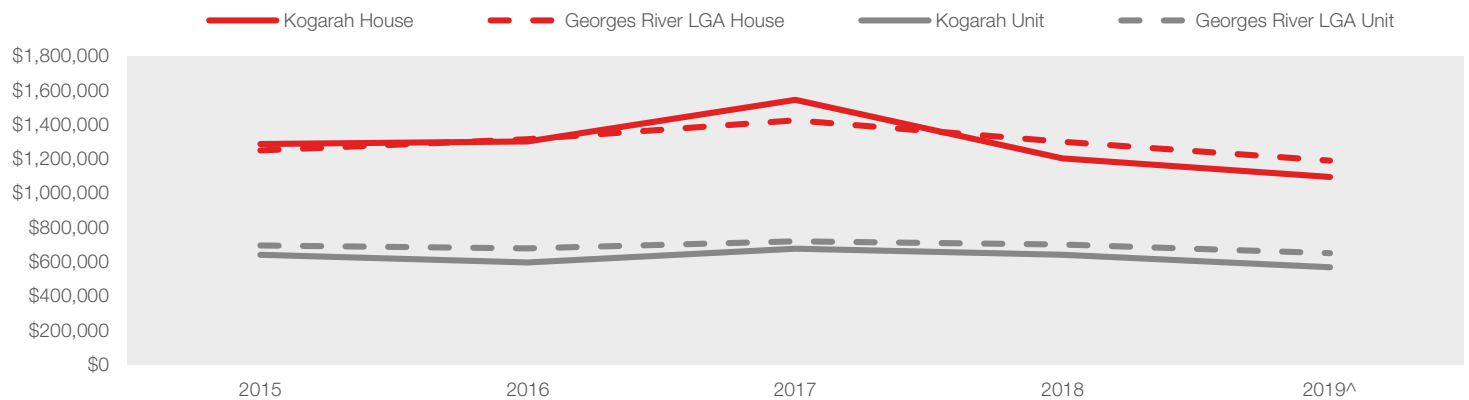
## KEY COMMENTS

Average vendor discount between Q3 2018 and Q3 2019 have tightened to -2.1% for units and swung to a premium of 3.2% for houses. Housing market conditions in Kogarah\* have shifted to favour sellers, as buyers must offer above the initial listing price. Unit buyers can still benefit from discounts to first listing price, however must act quickly.

The suburb of Kogarah has historically remained on par to Georges River Local Government Area (LGA) in both house and unit median prices. 2019<sup>^</sup> sees the margin between Kogarah and Georges River LGA wider than the past 5 years, particularly for houses.

The dominant proportion of homes sold in Kogarah\* across 2019<sup>^</sup> were priced above \$1,200,000 (32.9%). Units saw a dominant mid-range price point of \$600,000- \$700,000 (32.5%) over the same period. Premium housing is popular in Kogarah, while those looking to purchase units see a range of opportunities across the price ranges.

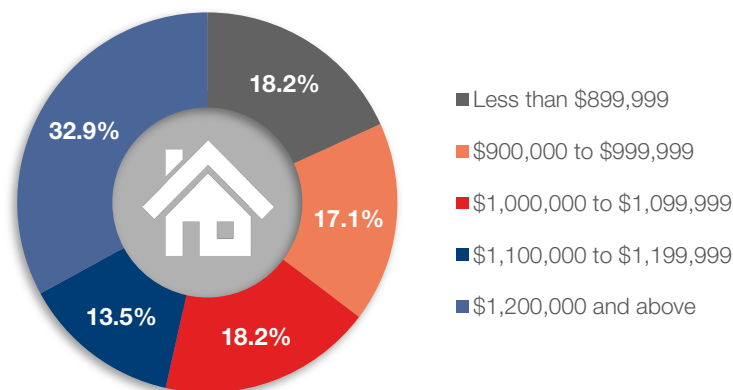
## MARKET COMPARISON



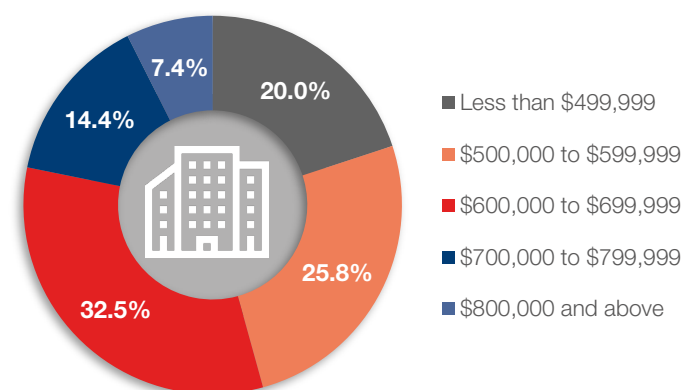
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled were chosen based on their proximity to the main suburb analysed, which is Kogarah.

## PRICE BREAKDOWN 2019<sup>^</sup>

### HOUSES SOLD



### UNITS SOLD

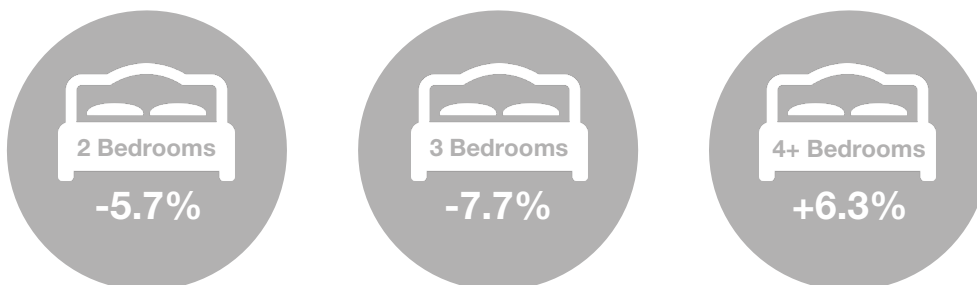


## RENTAL GROWTH 2019\*

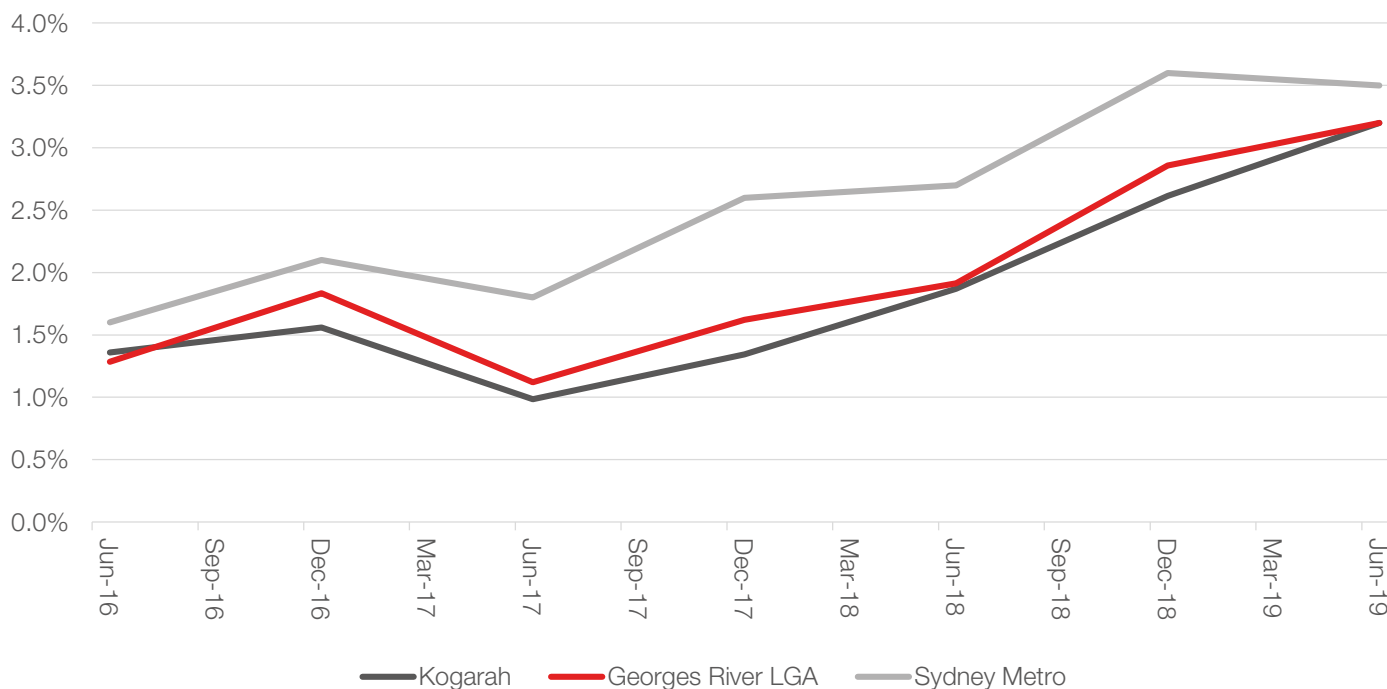
Over the past 12 months, house rental yields in Kogarah\* have improved to reach 2.8% in June 2019. Demand for rental properties in Kogarah\* across the same time period have also increased, up by 16.4%.

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

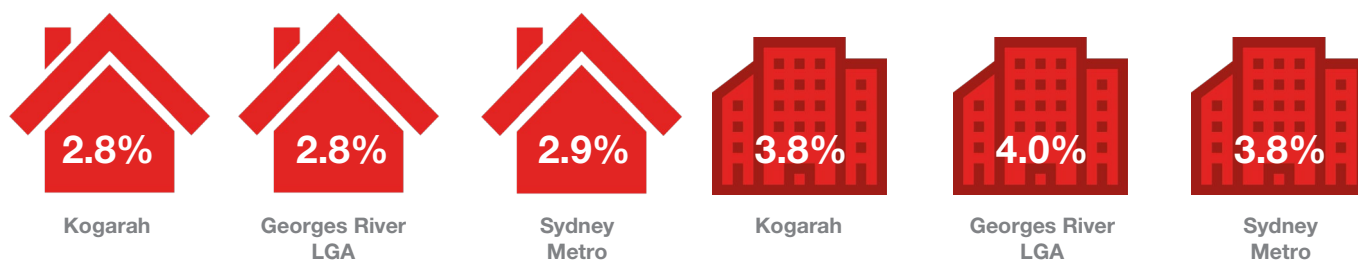
Kogarah\* recorded a vacancy rate of 3.2% in June 2019, on-par with Georges River LGA and below Sydney Metro's 3.5 average. There is a relatively healthy rental demand in Kogarah\*, however due to the increasing trend in vacancy rate over the past 24 months landlords are advised to seek long term tenants.



## RENTAL VACANCY RATES 2019



## RENTAL YIELD 2019^

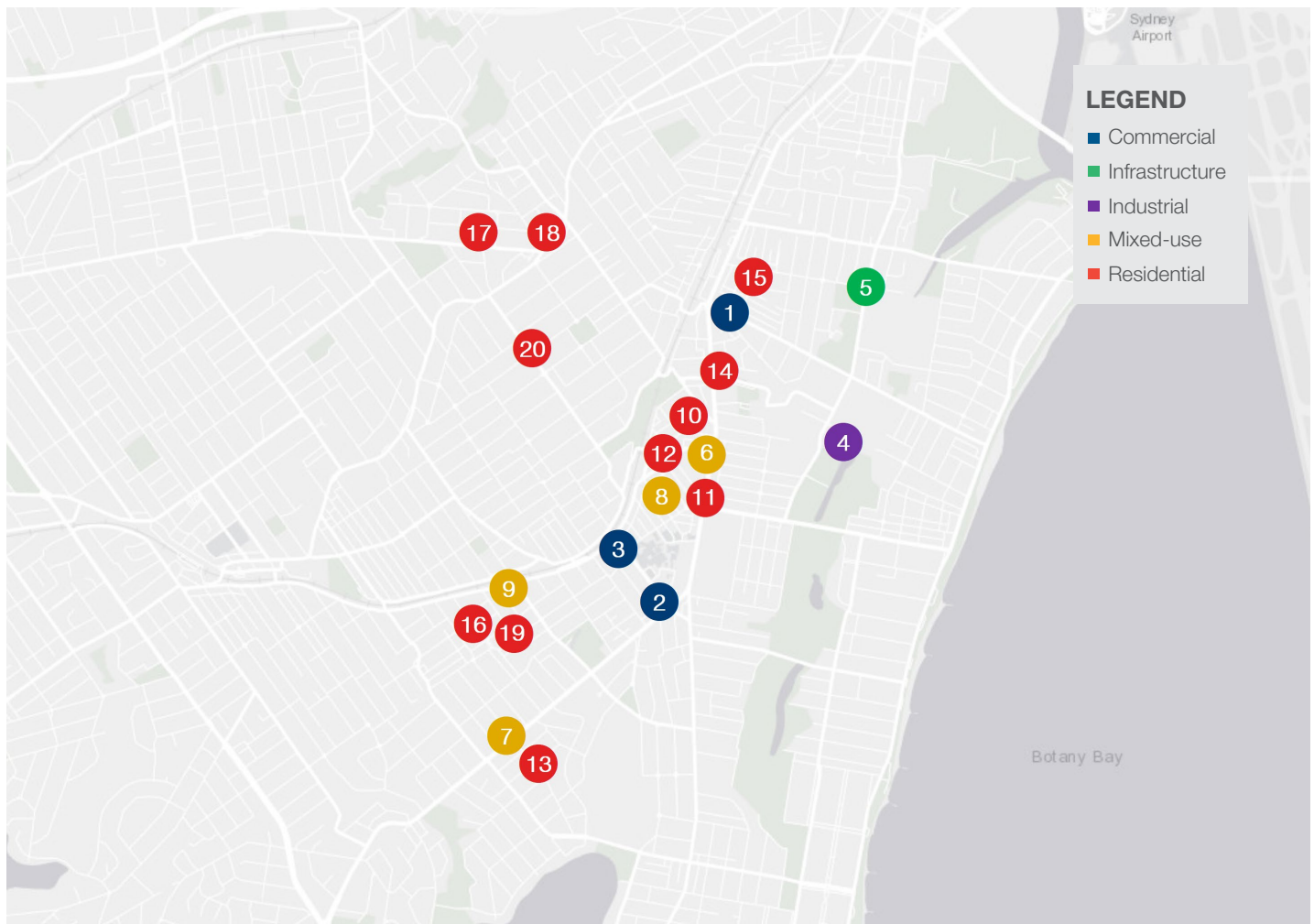


\*Rental performance graph represents aggregate house median rent prices within the suburbs Beverley Park, Bexley, Carlton, Kogarah, Kogarah Bay, and Rockdale. Annual rental growth is a comparison between 2018 and Q1 - Q3 2019 house median rent figures.

^Rental yields shown are as reported at June 2019.

Source: APM Pricefinder, SQM Research. © Copyright PRDnationwide 2019.

# PROJECT DEVELOPMENT MAP 2ND HALF 2019\*



Location	Project**	Type	Estimated Value***	Commence Date****
1	Rockdale RSL Club	Commercial	\$5,975,000	22/07/2019
2	Gray Street Boarding House	Commercial	\$4,342,000	15/07/2019
3	Gray Street Boarding House	Commercial	\$3,677,000	22/08/2019
4	Bermill Street Warehouse Units	Industrial	\$4,171,000	14/12/2019
5	Rockdale Park	Infrastructure	\$2,015,000	02/09/2019
6	Princes Highway Mixed Use Development (52 Apartments)	Mixed-use	\$16,709,000	16/11/2019
7	Princes Highway Mixed Development (45 Units)	Mixed-use	\$14,911,000	18/10/2019
8	Montgomery Street Mixed Use Building (27 Apartments)	Mixed-use	\$10,657,000	30/09/2019
9	Railway Parade Mixed Use Development (23 Apartments)	Mixed-use	\$8,460,000	07/11/2019
10	Stanley Street Apartments (116 Apartments)	Residential	\$43,967,000	25/11/2019
11	Stanley Street Apartments (87 Apartments)	Residential	\$30,200,000	10/09/2019
12	Regent Street Units (88 Units)	Residential	\$29,811,000	25/11/2019
13	John Street Units - The Bay (43 Units)	Residential	\$14,189,000	11/11/2019
14	Princes Highway Units (48 Units)	Residential	\$13,397,000	02/12/2019
15	George St Units - 35george Apartments (48 Apartments)	Residential	\$12,553,000	16/12/2019
16	Bembridge Street Apartments (23 Apartments)	Residential	\$5,795,000	18/11/2019
17	Abercorn St Dwellings (7 Dwellings)	Residential	\$5,243,000	09/10/2019
18	Oriental Street Units (15 Units)	Residential	\$4,711,000	15/10/2019
19	Bembridge Apartments (15 Units)	Residential	\$3,600,000	23/09/2019
20	Queen Victoria Street Apartments (7 Apartments)	Residential	\$2,285,000	16/12/2019

## OUR SERVICES INCLUDE

- Advisory and consultancy
- Market Analysis including profiling and trends
- Primary qualitative and quantitative research
- Demographic and target market Analysis
- Geographic information mapping
- Project Analysis including product and pricing recommendations
- Rental and investment return analysis

## OUR KNOWLEDGE

Access to accurate and objective research is the foundation of all good property decisions.

## OUR PEOPLE

Our research team is made up of highly qualified researchers who focus solely on property analysis.

## OUR SERVICES

Our research services span over every suburb, LGA, and state within Australia; captured in a variety of standard and customised products.



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