

MARKET REPORT

sanders.



Half Yearly 2022



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Statistics

Vacancy rates from realestateinvestar.com.au
Rental yield & days from yourinvestmentpropertymag.com.au
Days on market from yourinvestmentpropertymag.com.au & internal sources
Average rents & median prices from realestate.com.au



Welcome to our 2022 half yearly Sutherland Shire market report

It is a little hard to believe we are already halfway through the year, with the past six months best summed up as a period of adjustment. With the market cooling off, there have been 'adjustments' in terms of buyer and seller expectations, as a new rhythm established, and the market balanced out.

Amid the changes, several trends which we predicted earlier have continued to emerge; the number of buyers looking for homes that are either near new or completely renovated increased. This is due to rising material costs, construction delays and labour shortages causing homeowners to think twice about building. Buyers also took a stronger stance regarding price negotiations, as power shifted back from a seller dominated market to a more neutral playing field.

The first half of the year also delivered some unexpected developments, including the first interest rate rises in 11 years. Although rates had been hotly tipped to increase, most financial commentators had predicted the rises to come at the earliest, towards the end of the year. However with rising inflation, the Reserve Bank had little room to move, prompting rises to commence far earlier than anticipated.

Despite all the changes, house prices locally still rose marginally across most suburbs. Sales were still strong across all property types, with cashed up buyers and those who had previously missed out looking to make a purchase.

8 Rossford Avenue, Jannali sold prior to auction for \$2,050,000, with 45 groups inspecting over a three-week period. Similarly, 8/91-95 Wattle Road, Jannali sold off-market for \$900,000 after attracting three separate offers. Whilst 16/14 Banksia Road, Caringbah sold for \$690,000.

With the election out of the way, we are expecting a gradual increase in the number of properties for sale as we head into Spring and the traditional selling season. Selling in Winter could be a smart move with lower stock levels increasing buyer competition per property.

The rental market has continued to remain competitive with vacancy rates hitting record lows in April, amid limited supply and strong demand. With vacancy rates in the Sutherland Shire at just 0.47% and less than 430 properties available, 150 of those houses, townhouses and villas, investors continue to fair well, enjoying strong weekly returns and rent increases.

For those looking to sell, going to market with realistic price expectations, a strong marketing campaign and an experienced agent is key to achieving strong results. As always, the team at Sanders is here to help. Contact us today for more tailored advice and guidance.





Larger properties, particularly family homes with 3+ bedrooms continue to be in high demand. Pictured: 34 Eighth Avenue, Jannali; a 4 bedroom home recently sold for \$1,970,000.





BUY SELL

Find out the latest when it comes to buying and selling. From buyer trends to market statistics, auction results and more.

ING/
LING





KEY STEPS TO SELLING YOUR PROPERTY

Deciding to sell your home or investment property is a big decision, and can often be an overwhelming one. If you have never sold a property before, you might not be aware that it can be a lengthy process.

Outlined below you will find the 9 key steps to selling, to ensure your sale goes as smoothly as possible. Avoid unexpected surprises, be ahead of the game and set yourself up for success with our tips.



Market research

Research and understand what is happening in the local and wider property market, and specifically the suburb your property is in. Attend open houses & auctions, research recent sale prices and look online. The more informed you are, the smarter your decisions will be.



Interview agents

Find the right agent for you. Asking for recommendations from friends and family is a good place to start. Most agents will also provide a no obligation free market appraisal, which will help to give you a clearer idea of what your property could sell for. An agent will consider property attributes, local market conditions, and current sale prices to provide you with a detailed price overview.



Select a method of sale

At Sanders we offer four main methods of sale; Friendly Auction, Auction, Private Treaty and Off-market. Each method will suit different properties and market conditions. Your selected agent will be able to help guide you with your decision. Ensuring you select an agent you can trust will help you make confident choices.





Prepare your home

Styling, fixing any minor and major defects and making small improvements can add between 5-10% to the final sale price. Preparing your property for sale, along with getting professional photos taken, is one point that should not be missed. The more attractive your property is to buyers, the more attention it will draw, and the quicker it will sell.



Contract of sale

Engage a solicitor or conveyancer to handle the legal documentation of the sale. Without a contract for sale, you cannot sell your property. Your agent should be able to provide you with suggestions if needed. A solicitor/conveyancer will also help the process run smoothly as they will be on hand to answer any contract enquiries from buyers, and any legal requirements.



Marketing campaign

A mixture of print, digital, social media and local area marketing will typically be used to attract both local and out of area buyers to your property. Depending on market conditions, and the method of sale, most sale campaigns will generally last 4-6 weeks. A strong marketing campaign will go a long way to a good outcome.



Offers

If you are selling off-market or by private treaty, any interested buyers will make an offer to your agent, which will be presented to you. Negotiations may take place until the right price is achieved. If selling by auction, your property will be presented for public sale, if the hammer falls and the price is on, or over the reserve, the property will sell to the highest bidder.



Exchange of contracts

Once an offer is accepted, whether by private negotiation or auction, the next step requires both parties to sign and exchange the contracts for sale to formalise the process. If you sold by private treaty, often a 5-day cooling off period may be requested to allow the buyers time to secure finance and organise inspections.



Settlement

Settlement normally takes place 6 weeks after the contracts have been exchanged. This may vary according to your terms of sale. This is the point where you will receive the full sale price, minus the deposit, the amount owing on your home loan (which is paid to your lender), your solicitor or conveyancer fees and your real estate agent's costs.



Sutherland Shire property by price point

Under \$500,000

Entry level one bedroom apartments.



Caringbah

122/360 Kingsway

1 bed | 1 bath | 1 car

\$405,000



Jannali

4/1-9 Oxley Avenue

1 bed | 1 bath | 1 car

Contact agent

\$500,000 - \$1,000,000

One or two bedroom units through to two & three bedroom townhouse/villas; suburb dependant.



Sutherland

11/11-17 Acton Street

2 bed | 1 bath | 2 car

\$960,000



Caringbah

16/14-16 Banksia Road

2 bed | 1 bath | 1 car

\$690,000

\$1,000,000 - \$1,500,000

Two or three bedroom townhouse/villas close to public transport through to entry level three bedroom homes.

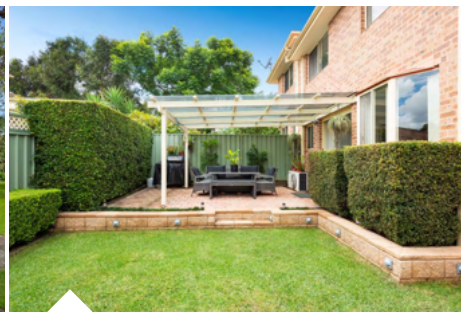


Kareela

18 Freya Street

3 bed | 2 bath | 1 car

\$1,480,000



Loftus

7/153-155 Loftus Avenue

4 bed | 2 bath | 2 car

\$1,200,000



\$1,500,000 - \$2,000,000

Four and five bedroom family homes and larger townhouses/villas with plunge pools.



Jannali

34 Eighth Avenue

4 bed | 2 bath | 2 car

\$1,970,000



Kareela

5 Banool Street

5 bed | 2 bath | 2 car

\$1,775,000

\$2,000,000 - \$3,500,000

Large freestanding homes, homes with water views and entry level waterfront properties.



Jannali

8 Rossford Avenue

4 bed | 2 bath | 1 car

\$2,050,000



Oyster Bay

85 Green Point Road

5 bed | 4 bath | 6 car

\$3,460,000

\$3,500,000+

Prestige houses, waterfront properties and new three bedroom units in Cronulla.



Kangaroo Point

29 Kangaroo Point Road

4 bed | 3 bath | 3 car

\$3,975,000



Cronulla

174 Nicholson Parade

5 bed | 3 bath | 2 car

\$4,700,000

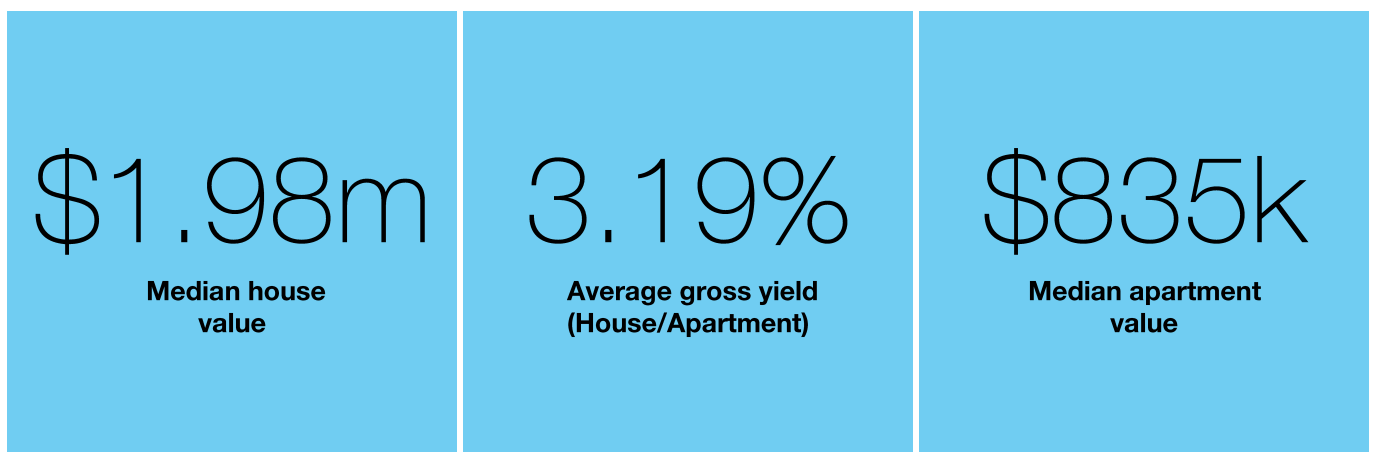
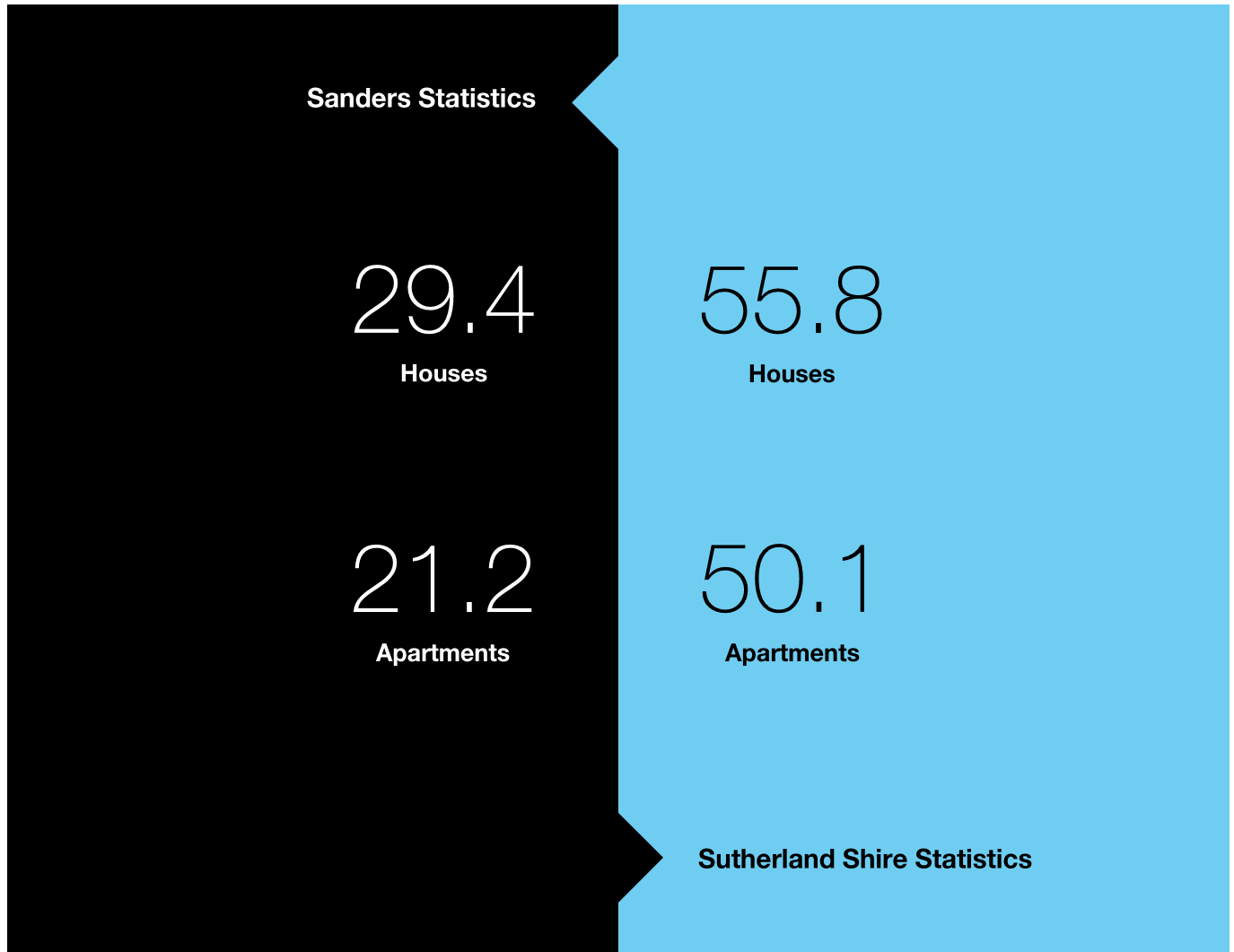
Important information

The listed properties are examples of the type of property available for purchase across different price brackets. Sanders Property Agents, its directors, employees and agents were not associated with all of the sales listed.



Market statistics

Days on market & average prices



Auction results

Sanders Statistics

79%

Clearance rate

5.3

Average number of
registered bidders

18

Average number
of bids

3%

Average above
reserve

74%

Clearance rate

5.5

Average number of
registered bidders

18

Average number
of bids

5%

Average above
reserve

Sydney South Statistics



Price growth by suburb

Houses

Suburb	Median price	6 Month change %
Alfords Point	\$1,557,500	2.64%
Bangor	\$1,490,000	4.99%
Barden Ridge	\$1,605,000	24.90%
Bonnet Bay	\$1,640,000	2.18%
Bundeena	\$1,850,000	36.03%
Burraneer	\$3,120,000	-0.95%
Caringbah	\$1,781,000	6.65%
Caringbah South	\$2,250,000	7.91%
Como	\$1,800,000	10.77%
Cronulla	\$3,073,500	9.57%
Dolans Bay	\$3,170,000	21.46%
Engadine	\$1,350,000	7.14%
Grays Point	\$1,775,000	2.31%
Greenhills Beach	\$3,460,000	21.40%
Gymea	\$1,660,000	14.48%
Gymea Bay	\$1,922,599	5.93%
Heathcote	\$1,310,000	3.56%
Illawong	\$1,640,000	5.30%
Jannali	\$1,545,000	8.61%
Kangaroo Point	\$3,975,000	22.31%
Kareela	\$1,600,000	7.02%

Suburb	Median price	6 Month change %
Kirrawee	\$1,582,500	6.53%
Kurnell	\$1,800,000	11.11%
Lilli Pilli	\$2,845,000	0.00%
Loftus	\$1,452,000	5.22%
Lucas Heights	-	-
Maianbar	-	-
Menai	\$1,500,000	14.94%
Miranda	\$1,635,000	2.51%
Oyster Bay	\$1,825,000	10.94%
Port Hacking	\$3,012,500	16.76%
Sandy Point	\$1,400,000	27.27%
Sutherland	\$1,452,500	11.09%
Sylvania	\$1,825,000	6.10%
Sylvania Waters	\$3,000,000	3.45%
Taren Point	\$2,615,000	9.99%
Waterfall	-	-
Woolooware	\$2,465,000	7.64%
Woronora	\$1,464,000	4.18%
Woronora Heights	\$1,600,000	8.47%
Yarrawarrah	\$1,510,000	7.86%
Yowie Bay	\$2,450,000	5.26%



Price growth by suburb

Apartments

Suburb	Median price	6 Month change %
Caringbah	\$800,000	2.89%
Como	-	-
Cronulla	\$980,000	4.81%
Engadine	\$732,250	-9.32%
Gymea	\$820,000	1.86%
Heathcote	\$730,000	5.80%
Illawong	\$1,075,000	12.57%
Jannali	\$802,500	0.00%

Suburb	Median price	6 Month change %
Kirrawee	\$751,000	2.67%
Menai	\$870,000	-0.17%
Miranda	\$750,000	-1.32%
Sutherland	\$711,250	3.12%
Sylvania	\$1,030,000	-1.20%
Sylvania Waters	\$650,000	2.69%
Woollooware	\$900,000	11.21%





INVEST

Tips on how you can add value to your investment property. Average local rental returns, median rental prices per suburb, vacancy rates and rental yields.

STING



How to avoid buying a bad investment property



Property is certainly back in favour with investors, with vacancy rates at record lows across Sydney, rising rental prices and heightened demand from tenants. Recent market changes and stabilising prices have made it easier for investors to purchase.

With tenants favouring properties close to lifestyle amenities, cafes and beaches, the Sutherland Shire presents an ideal location for Sydney based investors. Location aside, how can investors be confident in selecting a property that performs? Aside from the old saying 'never buy the best house in the worst street', there are other steps those looking to invest can take to help safeguard their interests.

Remove personal emotion

One of the worst mistakes an investor can make is purchasing a property they have fallen in love with. Emotion clouds judgement and can cause you to become blinded or pay too much for a property. It is important to approach buying an investment with a clear head and a financial mindset.

Consider the needs and emotions of potential tenants, along with the facts and figures. If you are worried about removing emotion from the decision making process, you may want to consider enlisting the help of an objective third party, such as a buyer's agent.



Another way to avoid relying on emotion is to plan your investment purchase by answering the following questions early on in the process.

1. How does the property fit into your short and long-term plans?
2. Can you find the style of property you want for your budget?
3. Does the property appeal to prospective tenants?
4. What are the rental returns like in the area?

Match the property to the demographics of the area

Once you know your budget and have a rough idea of the area you'd like to purchase in, it's a good idea to look at the underlying demographics. Doing so should help point you in the right direction in terms of the right property type and size that fits within your budget. Different demographics look for different features and benefits.

For example since the pandemic, there has been a big shift in families looking to rent larger townhouses, villas and houses. They are looking for three or more bedrooms, a second living area or study to fit a work from home lifestyle. If you are looking for a house/land investment, in this demographic market, you would be best looking for a property that has those attributes or that can be reconfigured to suit.

Researching the area you intend to purchase in is the most vital stage to avoid buying a lemon. It will help you make informed choices.

Location, location, location

It is important to choose the right location. Selecting the right location will not only make your investment easier to rent, but will pay dividends when you sell. In most cases, properties close to transport options, schools and shops, or that offer lifestyle benefits such as beaches, bushland, coastal walks, cafes etc, will not only be easier to rent but will likely generate higher capital growth over a longer-term period.

Choosing a property that matches your investment strategy

If you are already building a portfolio of investment properties, or are planning to do so in the future, choosing a property that will provide you with equity to put towards the next one is an important consideration. When looking at properties locally, it is likely that the property you'd be purchasing would be negatively geared (a situation where the rental income doesn't cover the running expenses).

In this case, the property runs at a loss, providing you the investor, with an opportunity to use that loss as a tax deduction. Before purchasing, it is always advisable to check with your accountant or financial advisor to ensure the property you select matches the investment strategy best suited to your overall financial position and long-term plans.

Look for development potential

If your budget extends to looking for a house or land, the option to develop should be on your mind. Check in with your local council to determine if the property may be eligible for future redevelopment, including dual occupancies, duplexes, townhouses/villas or high-rise buildings, including apartments. If you look to enhance the value of the property, over time you could end up with a much better investment than originally first thought.

Even if you have no desire or plans to redevelop, the added benefit of having redevelopment potential should pay off when the time comes to sell. Bear in mind development potential doesn't always have to be knocking down and rebuilding; houses that have floorplans that can be altered to create additional bedrooms or living spaces or that can be split in two can also lead to higher rents and better overall returns.

Ask around

If you're not familiar with the area, street or complex you are buying into, take the time to look around the area, chat to neighbours and other residents. Whilst strata, building and pest reports will only tell you so much, speaking to locals and others who may know more, might help you find out if there are any red flags or discontent in the street or complex. It will also give you a better understanding of the property's history.

Purchasing property, as with any type of investment, always poses some level of risk. Hopefully, with the right research and asking the right questions, the rewards will outweigh any associated risks.



Investing in the Sutherland Shire

Highest return on investment (house)

Bonnet Bay	5.36%
Kangaroo Point	4.91%
Bangor	4.60%
Como	4.26%

Highest return on investment (unit)

Kirrawee	3.76%
Menai	3.72%
Heathcote	3.71%
Gymea	3.60%

Sutherland Shire investment statistics

\$746

Average rent
(House per week)

\$520

Average rent
(Apartment per week)

20

Average
days on market

0.47%

Average
vacancy rate

3.41%

Average gross yield
(Apartment)

2.96%

Average gross yield
(House)



Median rents per suburb

Houses

Suburb	4 bed	3 bed	2 bed
Alfords Point	-	-	-
Bangor	\$800	\$695	-
Barden Ridge	\$850	-	-
Bonnet Bay	\$850	\$770	-
Bundeena	\$773	\$665	\$550
Burraneer	\$1,600	\$995	-
Caringbah	\$925	\$710	\$600
Caringbah South	\$1,200	\$850	\$575
Como	\$800	\$700	\$600
Cronulla	\$1,300	\$972	\$500
Dolans Bay	\$1600	\$995	-
Engadine	\$775	\$670	\$500
Grays Point	\$850	\$775	-
Greenhills Beach	\$1,700	-	-
Gymea	\$900	\$782	\$510
Gymea Bay	\$1,000	\$800	-
Heathcote	\$720	\$680	-
Illawong	\$950	\$680	-
Jannali	\$850	\$700	\$500
Kangaroo Point	-	-	-
Kareela	\$900	\$650	-

Suburb	4 bed	3 bed	2 bed
Kirrawee	\$800	\$700	\$560
Kurnell	-	\$700	-
Lilli Pilli	\$1,300	\$880	-
Loftus	\$700	\$670	-
Lucas Heights	-	-	-
Maianbar	\$750	\$550	-
Menai	\$850	\$700	-
Miranda	\$950	\$730	\$545
Oyster Bay	\$885	\$650	\$503
Port Hacking	-	-	-
Sandy Point	-	\$500	-
Sutherland	\$810	\$675	\$450
Sylvania	\$950	\$750	\$500
Sylvania Waters	\$1,200	\$875	\$480
Taren Point	\$990	\$950	-
Waterfall	-	\$525	-
Woolooware	\$1,075	\$800	-
Woronora	-	\$665	-
Woronora Heights	\$750	-	-
Yarrawarrah	\$765	-	-
Yowie Bay	\$937	\$740	-



Median rents per suburb

Apartments

Suburb	3 bed	2 bed	1 bed
Caringbah	\$720	\$520	\$400
Como	\$600	\$495	-
Cronulla	\$810	\$550	\$400
Engadine	\$660	\$450	\$360
Gymea	\$750	\$520	\$424
Heathcote	\$585	\$520	\$373
Illawong	\$660	\$515	-
Jannali	\$690	\$455	\$390

Suburb	3 bed	2 bed	1 bed
Kirrawee	\$675	\$550	\$480
Menai	\$650	\$500	-
Miranda	\$700	\$500	\$450
Sutherland	\$650	\$460	\$450
Sylvania	\$780	\$490	\$365
Sylvania Waters	\$520	\$485	-
Woollooware	\$820	\$650	\$500



Vacancy rates & rental yields

Houses (H) & Apartments (A)

Suburb	Vacancy Rate	Rental Yield (H)	Rental Yield (A)
Alfords Point	0.20%	1.87%	-
Bangor	0.21%	4.60%	-
Barden Ridge	0.07%	2.44%	2.61%
Bonnet Bay	0.25%	5.36%	-
Bundeena	0.42%	2.50%	-
Burraneer	0.52%	2.80%	-
Caringbah	1.35%	2.26%	3.23%
Caringbah South	0.40%	2.26%	-
Como	0.14%	4.26%	-
Cronulla	2.16%	1.73%	3.29%
Dolans Bay	0.43%	3.55%	-
Engadine	0.39%	2.76%	3.22%
Grays Point	0.10%	3.00%	-
Greenhills Beach	0.53%	3.07%	-
Gymea	0.83%	2.41%	3.60%
Gymea Bay	0.29%	2.39%	-
Heathcote	0.22%	3.05%	3.71%
Illawong	0.36%	3.51%	3.55%
Jannali	0.85%	2.42%	3.03%
Kangaroo Point	-	4.91%	-
Kareela	0.32%	3.01%	-

Suburb	Vacancy Rate	Rental Yield (H)	Rental Yield (A)
Kirrawee	0.68%	2.42%	3.76%
Kurnell	0.68%	2.16%	-
Lilli Pilli	-	3.65%	-
Loftus	0.46%	2.38%	-
Lucas Heights	-	-	-
Maianbar	0.37%	-	-
Menai	0.33%	2.68%	3.72%
Miranda	1.38%	2.82%	3.51%
Oyster Bay	0.16%	1.76%	-
Port Hacking	0.50%	1.84%	-
Sandy Point	0.46%	6.34%	-
Sutherland	1.06%	2.37%	3.35%
Sylvania	0.53%	2.35%	2.19%
Sylvania Waters	0.25%	1.94%	3.84%
Taren Point	0.11%	3.94%	-
Waterfall	-	-	-
Woolooware	1.72%	2.80%	3.32%
Woronora	0.26%	2.62%	-
Woronora Heights	0.11%	3.09%	-
Yarrawarrah	0.11%	3.47%	-
Yowie Bay	0.45%	2.70%	-



