

ATLAS

Market Report Mosman
Qtr 1

Scott Thornton Team



6 things you need to know about the Mosman property market

We look at the trends impacting real estate on Sydney's lower North Shore in Autumn 2023

For over a year, most media reports on Sydney's property market have been entirely negative.

It's true that our city's median dwelling value is now 13.8% below its January 2022 peak. However, the story we're seeing on the ground here in Mosman and the Lower North Shore is both more nuanced and more positive than the headlines would have you believe.

We explore what buyers and sellers need to know about the local property market in Autumn 2023.

1. First home buyers and investors are returning to the market

As 2023 has progressed, we've seen both first-home buyers and investors become more active. The main reason for this is that rents are growing rapidly. Mosman's median apartment rent has lifted 13.0% in the past 12 months, while the median rent for houses in Neutral Bay has risen an incredible 19.0%.

In many cases, this is making buying an attractive alternative for tenants - especially in light of the former Perottet government's changes to stamp duty, which allow some to make an annual payment rather than having to come up with a lump sum at settlement.

Investors, meanwhile, are attracted by the income that local properties can now provide, with yields growing to a level not seen in some years.

Partly as a result of this trend, two-bedroom apartments in Neutral Bay have risen 10.6% in value over the past year to reach a median of \$1.25 million. Meanwhile, three bedroom-homes have seen a great auction clearance rate of 73% and now have a median of \$2.475 million.

2. There is an imbalance between supply and demand

Property prices are always set by the laws of supply and demand, and during the first quarter of 2023, this has been out of balance. Despite rising interest rates and economic uncertainty, there have been more people looking than properties available for sale.

Realestate.com.au recorded 4,315 interested buyers for the 73 houses that have been available for sale in the past month.

3. The pause on interest rates is likely to lead to more activity

That said, I have been speaking to some would-be sellers who've held off listing their homes until the current uncertainty around interest rates subsides. With the RBA pausing rate rises in April for the first time in a year, some of these vendors are likely to decide that these are better conditions in which to sell.

We don't, however, expect a rush of properties to come online, and we're unlikely to see too many distressed sales. As Tim Lawless from CoreLogic was quoted as saying, Mosman was a market associated with "inherent scarcity", where homeowners tended to be affluent, high-income earners who were "well established on the property ladder" and less likely to be forced to sell.

At the same time, many would-be buyers have also been holding off transacting because they want to see where interest rates land before committing to a home loan. If this is the end of rate rises, we're also likely to see competition increase as well as listings.

4. We have continued to get great prices through the market downturn

This inequality between supply and demand

has kept sales prices relatively buoyant in our area right through the market downturn.

According to data from realestate.com.au, the median house price in Mosman is currently \$4.9 million, up from a low of \$4.775 million in late 2022. Three years ago, at the start of the pandemic, the median was \$3.598 million.

5. The ultra-premium market has never been healthier

Another factor worth noting is that the very top end of the market never slowed down. If anything, the rise in home values has actually gathered pace over the past 12 months. We've witnessed several prestige properties sell for well over \$20 million this quarter.

After all, this part of the market is largely unaffected by rising interest rates and is more influenced by factors such as the relative value of the Australian Dollar, the health of the stock market and the amount of merger and acquisition activity. As a result, there are more people looking to buy in this category than ever before, but the amount of stock available has not risen to meet the growing demand.

Consistent with this, CoreLogic data released in April shows that the value of the top 25% of the Sydney market rose 1.3% in values last quarter.

6. There is a chronic shortage of homes in our area (and across Sydney)

Sydney's population is growing - and with immigration returning to pre-pandemic levels, the pace of that growth is set to increase further. And every new arrival in Sydney needs somewhere to live.

Mosman recently made headlines for having one of the lowest new dwelling construction rates in the city (alongside other premium areas, including Hunters Hill and Woollahra).

An average of just 33 new homes were built in Mosman each year between 2016 and 2021- that's nowhere near enough to satisfy the demand for property in our area.

While some may be worried about the effect

building more properties will have on current home values, the reality is that there is a dire shortage of certain types of properties in the Lower North Shore.

In particular, there are nowhere near enough appropriate homes for the growing number of downsizers who want to call Mosman home. We speak to many Mosman locals wanting to downsize from a large family home, but they often struggle to find something to buy locally that meets their requirements for space and a lock-up-and-leave lifestyle.

Want more?

If you'd like to know more about the current market or receive a free appraisal of your home please feel free to get in touch.

Kind regards,



Scott Thornton

Partner

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HOUSE SALES 2088 QTR 1 2023



2 Buena Vista Avenue

5 bed 3 bath 5 car 2,640sqm
Sold \$19,100,000



24 Esther Road

4 bed 5 bath 2 car 778sqm
Sold \$15,300,000



45-47 Medusa Street

5 bed 4 bath 2 car 1,633sqm
Sold \$13,000,000



8 Delecta Avenue

4 bed 5 bath 2 car 658sqm
Sold \$12,200,000



33 Mandolong Road

5 bed 4 bath 2 car 701sqm
Sold \$11,800,000



2 Balmoral Avenue

4 bed 3 bath 2 car 612sqm
Sold \$11,700,000



22 Bay Street

5 bed 4 bath 2 car 874sqm
Sold \$10,660,000



61A Muston Street

4 bed 3 bath 4 car 307sqm
Sold \$10,600,000



200B Raglan Street

4 bed 2 bath 2 car 697sqm
Sold \$10,200,000



10 Mandolong Road

5 bed 4 bath 2 car 874sqm
Sold \$9,550,000



1A Royalist Road

4 bed 2 bath 2 car 821sqm
Sold \$9,400,000



57 Raglan Street

5 bed 3 bath 4 car 936sqm
Sold \$8,200,000



25 Bradleys Head Road

5 bed 3 bath 2 car 624sqm
Sold \$8,200,000



22 Wunda Road

5 bed 4 bath 2 car 573sqm
Sold \$7,750,000



24 Botanic Road

4 bed 2 bath 1 car 462sqm
Sold \$7,500,000



45 Mandolong Road

4 bed 3 bath 2 car 421sqm
Sold \$7,150,000



11 Markham Close

3 bed 1 bath 3 car 744sqm
Sold \$7,100,000



23 The Crescent

4 bed 3 bath 3 car 645sqm
Sold \$6,800,000



80 Wolseley Road

5 bed 4 bath 2 car 664sqm
Sold \$6,500,000



12 Keston Avenue

5 bed 3 bath 2 car 746sqm
Sold \$6,400,000



97 Bay Street

4 bed 3 bath 2 car 746sqm
Sold \$6,000,000



22 Pindari Avenue

4 bed 2 bath 2 car 715sqm
Sold \$5,995,000



12 Kahibah Road

4 bed 2 bath 2 car 613sqm
Sold \$5,900,000



13 Winward Avenue

4 bed 4 bath 2 car 793sqm
Sold \$5,725,000

HOUSE SALES 2088 QTR 1 2023



10 Vista Street

4 bed 2 bath 1 car 492sqm
Sold \$5,430,000



4A Elfrida Street

5 bed 3 bath 2 car 854sqm
Sold \$5,400,000



3 Shellbank Avenue

5 bed 4 bath 2 car 575sqm
Sold \$5,300,000



142 Cowles Road

4 bed 4 bath 2 car 416sqm
Sold \$5,150,000



5 Sirius Cove Road

5 bed 2 bath 2 car 613sqm
Sold \$5,130,000



7 Esther Road

3 bed 1 bath 2 car 348sqm
Sold \$4,900,000



119 Spencer Road

4 bed 3 bath 1 car 468sqm
Sold \$4,525,000



34 Orlando Avenue

4 bed 2 bath 1 car 460sqm
Sold \$4,375,000



20 Prince Street

3 bed 1 bath 1 car 516sqm
Sold \$4,156,000



28 Wyong Road

3 bed 1 bath 519sqm
Sold \$4,100,000



13 Congewoi Road

3 bed 1 bath 1 car 498sqm
Sold \$4,000,000



8 Harston Avenue

4 bed 2 bath 2 car 871sqm
Sold \$3,900,000



27 Wyong Road

3 bed 2 bath 1 car 626sqm
Sold \$3,900,000



2 Cowles Road

4 bed 1 bath 1 car 462sqm
Sold \$3,850,000



99 Holt Avenue

4 bed 3 bath 221sqm
Sold \$3,725,000



7 Keston Avenue

3 bed 2 bath 329sqm
Sold \$3,610,000



2 Brierley Street

4 bed 2 bath 2 car 481sqm
Sold \$3,500,000



65 Bay Street

4 bed 3 bath 2 car 433sqm
Sold \$3,400,000



1A Earl Street

3 bed 2 bath 1 car 262sqm
Sold \$3,310,000



1/10 Lang Street

4 bed 2 bath 2 car 541sqm
Sold \$2,900,000



94 Ourimbah Road

3 bed 2 bath 2 car 470sqm
Sold \$2,900,000



1A Holt Avenue

3 bed 2 bath 1 car 234sqm
Sold \$2,866,000



40 Vista Street

3 bed 1 bath 277sqm
Sold \$2,530,000



78 Awaba Street

2 bed 1 bath 1 car 246sqm
Sold \$2,500,000



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