



Affordable & Liveable Property Guide <

Sydney Metro 1st Half 2021

METHODOLOGY

This affordable and liveable property guide for Sydney Metro analyses all suburbs within a 20km radius of the Sydney CBD. The following criteria were considered:

- **Property trends criteria** – all suburbs have a minimum of 20 sales transactions for statistical reliability purposes. Based on market conditions, suburbs have either positive or as close as possible to neutral price growth between 2019 to 2020/21*.
- **Investment criteria** – as of March 2021, suburbs considered will have an on-par or higher rental yield than Sydney Metro, and an on-par or lower vacancy rate.
- **Affordability criteria** – identified affordable and liveable suburbs have a median price below a set threshold. This was determined by adding percentage premiums to the New South Wales (NSW) average home loan, which was \$645,743** as of Q4 2020. Premiums of 86% for houses and 9% for units were added, which were below those required to reach Sydney Metro's median prices (173% for houses and 24% for units). This places the chosen suburbs below Sydney's median prices, meaning that the suburbs identified within this report are more affordable for buyers.
- **Development criteria** – suburbs identified must have a high total estimated value of future project development for the 1st half of 2021, as well as a higher proportion of commercial and infrastructure projects. This ensures the suburbs show signs of sustainable economic growth, in turn, positively affecting the property market.
- **Liveability criteria** – all identified suburbs have low crime rates, availability of amenities within a 5km radius (i.e. schools, green spaces, public transport, shopping centres and health care facilities), and an unemployment rate on-par or lower in comparison to the NSW average (as determined by the Department of Jobs and Small Business, December Quarter 2020 release).

RECENT TOP PERFORMERS

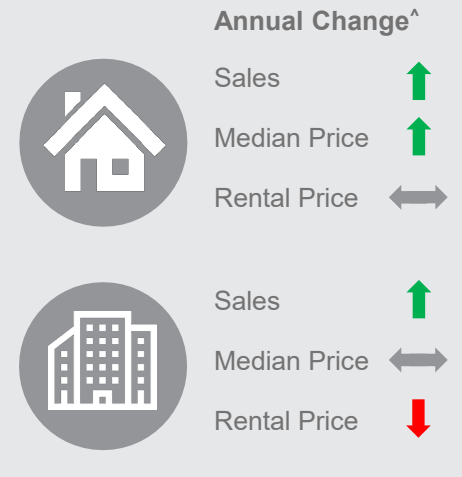
Area	Suburb	Type	Median Price 2019	Median Price 2020/21*	Price Growth	Projects 2021***
Inner	Glebe	House	\$1,610,000	\$1,700,000	5.6%	\$1.0B
	Sydney	Unit	\$900,000	\$1,062,500	18.1%	\$1.9B
North	Chatswood	House	\$2,259,000	\$2,400,000	6.2%	\$188.5M
	Macquarie Park	Unit	\$830,000	\$872,888	5.2%	\$474.2M
South	Kogarah	House	\$1,118,000	\$1,423,250	27.3%	\$121.3M
	Wooloware	Unit	\$722,500	\$820,000	13.5%	\$305.1M
East	Bondi Junction	House	\$2,065,000	\$2,330,000	12.8%	\$63.3M
	Bondi Junction	Unit	\$1,080,000	\$1,132,500	4.9%	\$63.3M
West	St Peters	House	\$1,283,800	\$1,355,000	5.9%	\$2.6B
	Bankstown	Unit	\$485,000	\$505,000	4.1%	\$362.0M

OVERVIEW

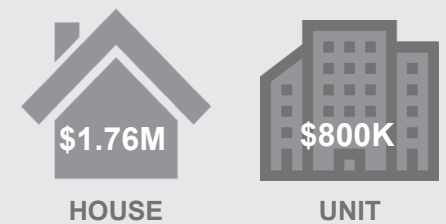
Median property prices in Sydney Metro increased by 3.5% for houses to \$1,760,000 from Q1 2020 to Q1 2021* and remained stable for units at \$800,000. Across the same period, total sales in Sydney Metro increased by 26.7% (to 4,660 sales) for houses, and by 16.1% (to 7,705 sales) for units. Sydney Metro's median price growth has occurred amidst increased sales activity, giving those looking to transact within Sydney Metro confidence in the local market's real returns in capital investment. Further, property owners can also be confident in their asset's ongoing value. An estimated \$12.4B of development is set to commence across the 1st half of 2021. A focus on infrastructure projects will improve liveability for residents and create jobs in the construction phase, while commercial projects are also a positive indicator of future long-term employment. Combined, this will have a positive spill-over effect on the property market.

*Median price quoted captures sale transactions from 1st January 2020 to 31st March 2021, or Q1 2020 – Q1 2021. **Average home loan figure is derived from December Quarter 2020 Housing Affordability Report by the Real Estate Institute of Australia (REIA) and Adelaide Bank. ***Project development is based on aggregate of estimated construction value for residential, commercial, industrial, mixed-use and infrastructure projects scheduled to commence in the 1st half of 2021 as stated by the relevant data authority. ^Annual Change is reflective of median price change from Q1 2020 to Q1 2021. Figures displayed in infographics are for the period Q1 2020. Source: APM Pricerfindr, REIA, SQM Research, Cordell Connect, Department of Jobs and Small Business. © PRD 2021.

SYDNEY METRO



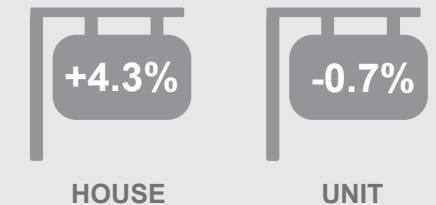
MEDIAN SALE PRICE



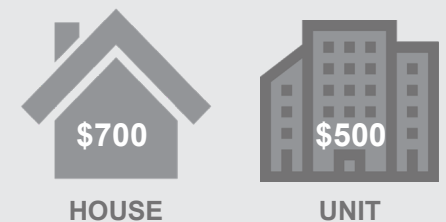
AVERAGE DAYS TO SELL



AVERAGE VENDOR DISC.



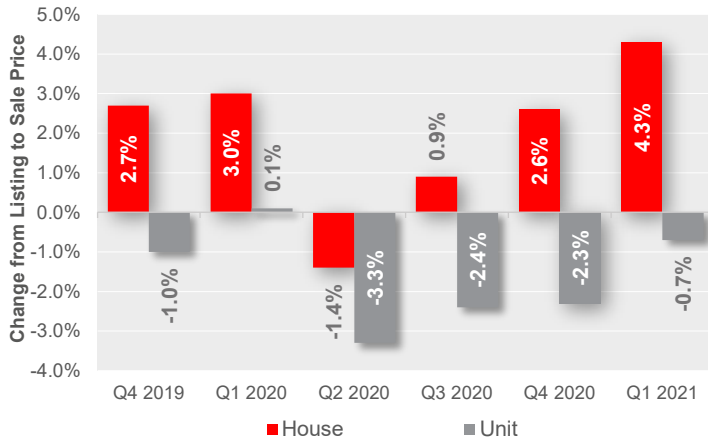
MEDIAN RENTAL PRICE



AVERAGE DAYS TO LET



AVERAGE VENDOR DISCOUNT

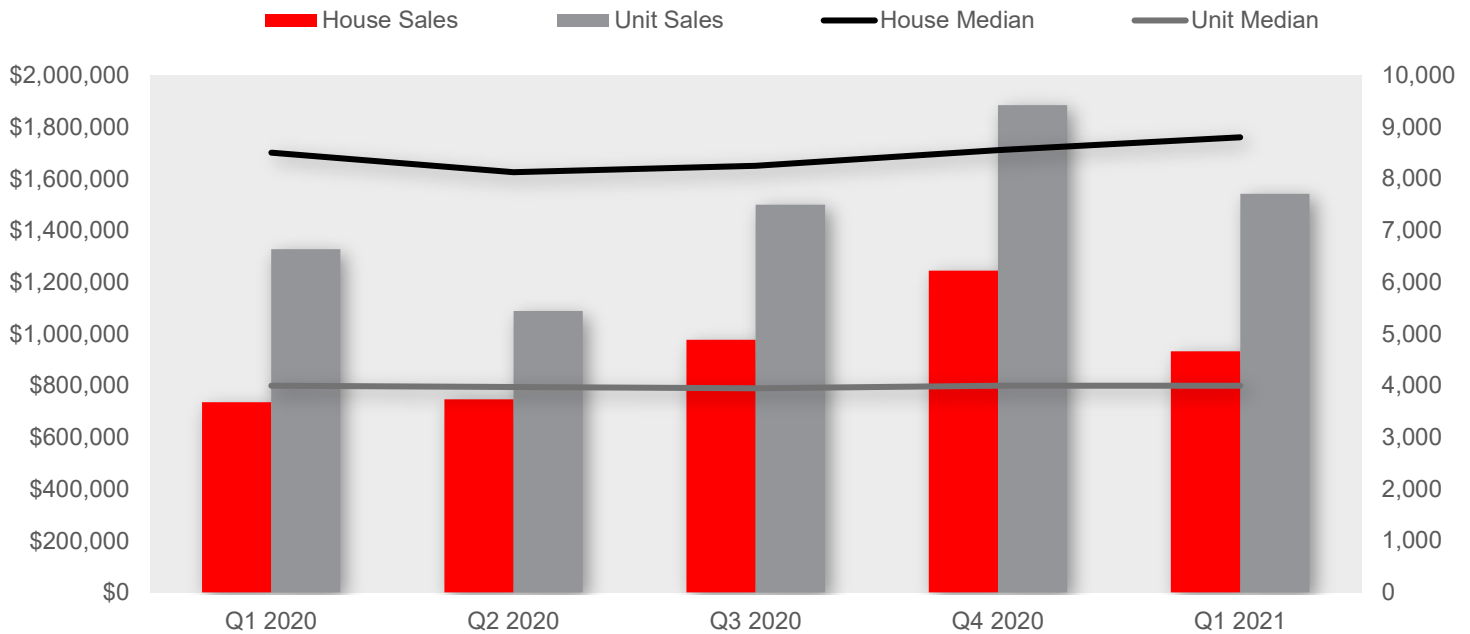


KEY COMMENTS

Average vendor discounts between Q1 2020 and Q1 2021 for houses have now recorded a higher premium, of +4.3%. Units meanwhile have swung from a premium to a discount, of -0.7%. Sydney Metro's house market conditions have further shifted to favour vendors as buyers are willing to offer above initial list prices, whilst the unit market provides hope for first home buyers.

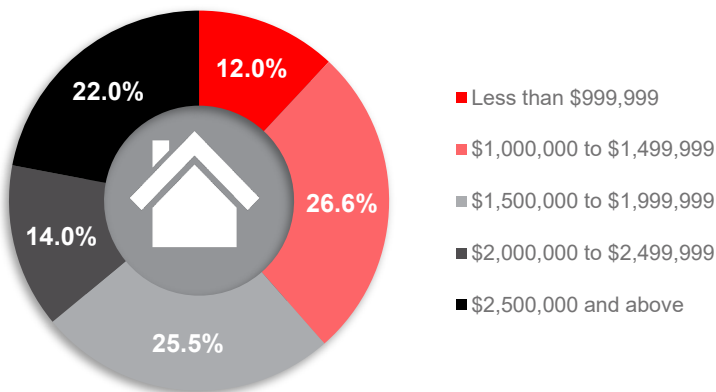
The dominant proportion of homes sold in Sydney Metro across 2020/21# were in the lower-middle price bracket of \$1,000,000-\$1,500,000 (26.6%). Units also recorded a dominant lower-middle price bracket of \$600,000-\$800,000 (32.2%). Despite Sydney Metro being known as a premium market, the unit breakdown suggests opportunities for first home buyers.

MARKET PERFORMANCE

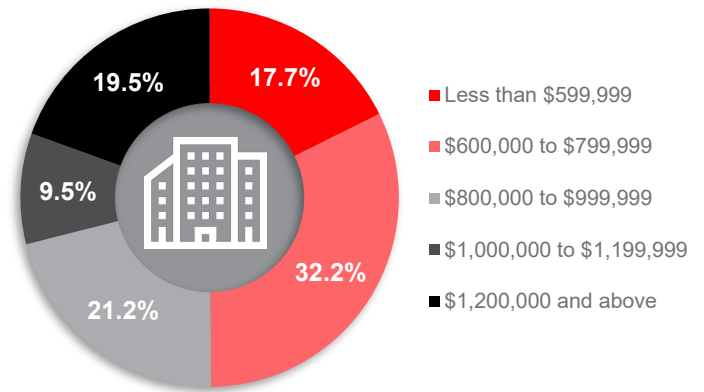


PRICE BREAKDOWN 2020/21#

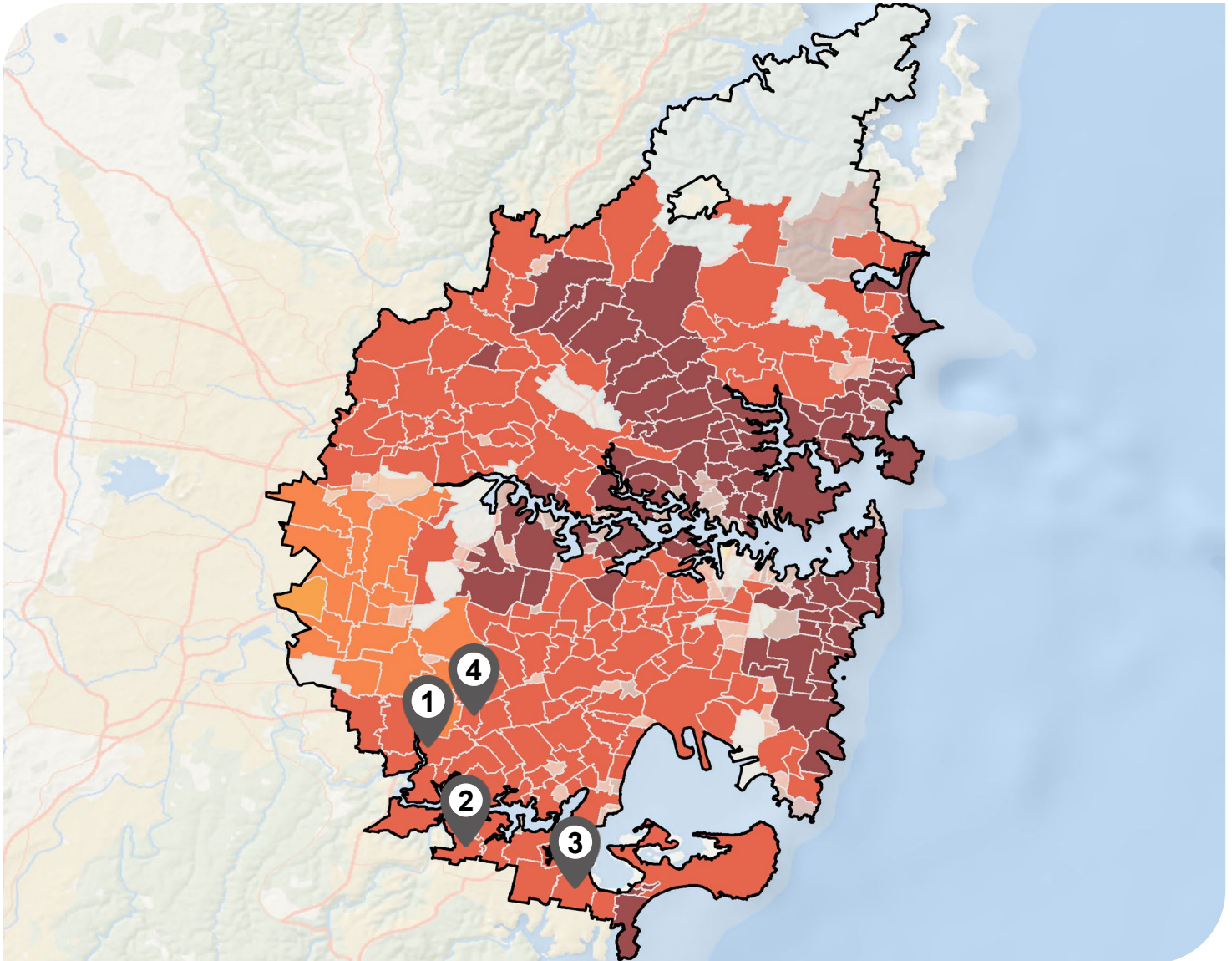
HOUSES SOLD



UNITS SOLD



SYDNEY METRO MEDIAN HOUSE PRICE 2020/21* 20KM FROM CBD



LEGEND

	Data not available
	\$0 - \$500,000
	\$500,000 - \$800,000
	\$800,000 - \$1,000,000
	\$1,000,000 - \$2,000,000
	\$2,000,000+

— 20km from CBD
Translucent colours for <20 sales

SYDNEY AFFORDABLE & LIVEABLE SUBURBS RENTAL YIELD

	Suburb	House		Suburb	Unit
1	Peakhurst	2.4%	1	Peakhurst	3.8%
2	Jannali	2.7%	4	Narwee	3.9%
3	Caringbah	3.2%	3	Caringbah	3.7%

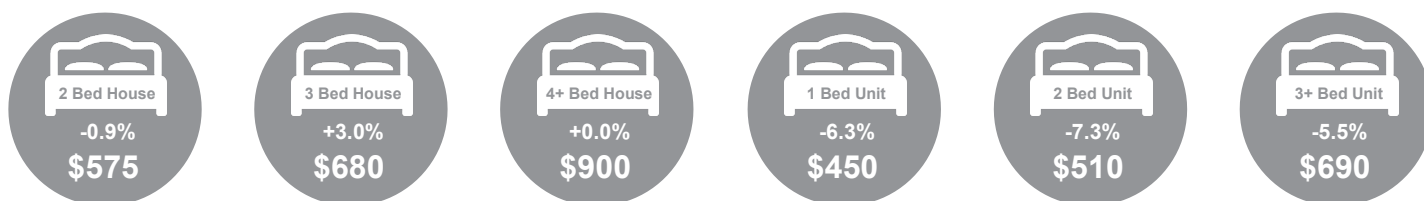
*House median price reflected in the heat-map captures sale transactions from 1st January 2021 to 31st March 2021.
Source: APM Pricerfinder, ESRI ArcGIS, SQM Research. © PRD 2021.

RENTAL GROWTH 2020/21€

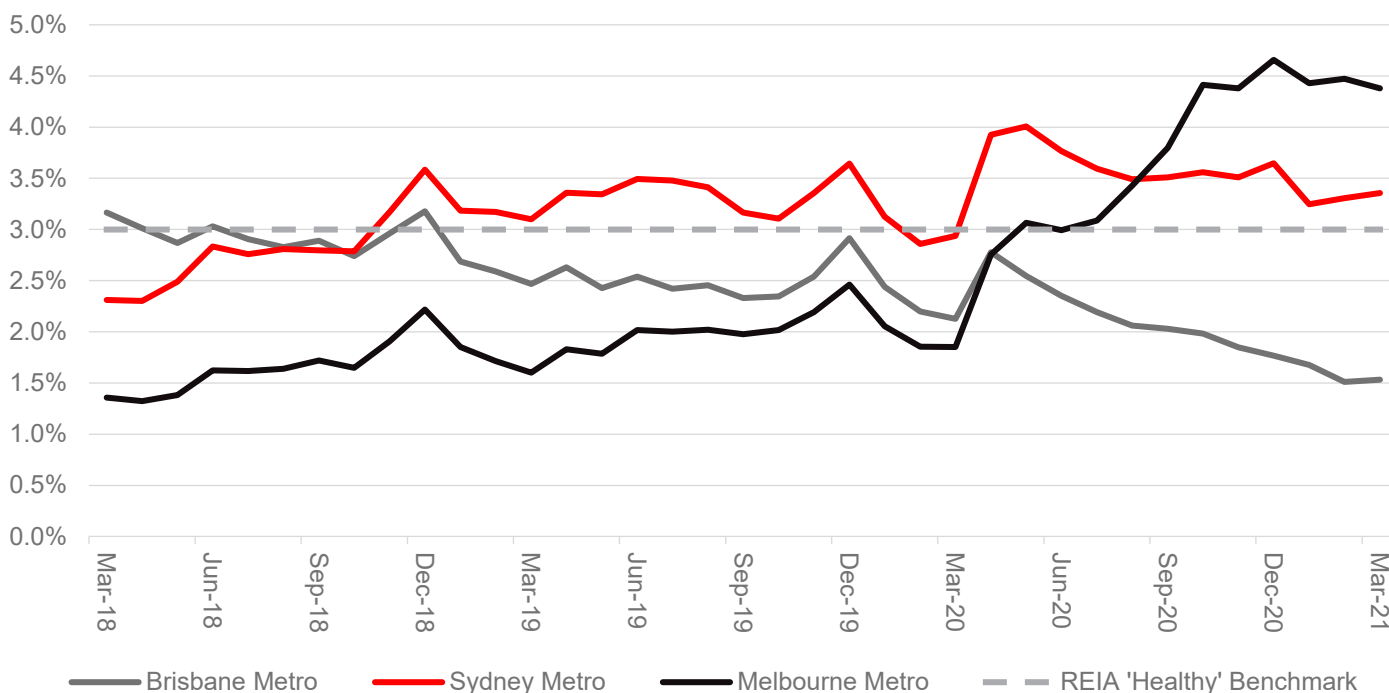
In March 2021, house rental yields in Sydney Metro were recorded at 2.4%. In the 12 months to Q1 2021, the median house rental price increase remained stable at \$700 per week, while average days on the market declined by -25.9% (to 20 days). Overall, the Sydney Metro rental house market has remained surprisingly resilient throughout COVID-19.

Three bedroom houses recorded the highest annual rental growth (of +3.0%), to reach \$680 per week. A softening in median unit rental prices was felt mostly in the 2 bedroom market. This is evidence of tighter household finances due to COVID-19 employment conditions, suggesting tenants may have opted for shared living in larger properties to reduce their rent.

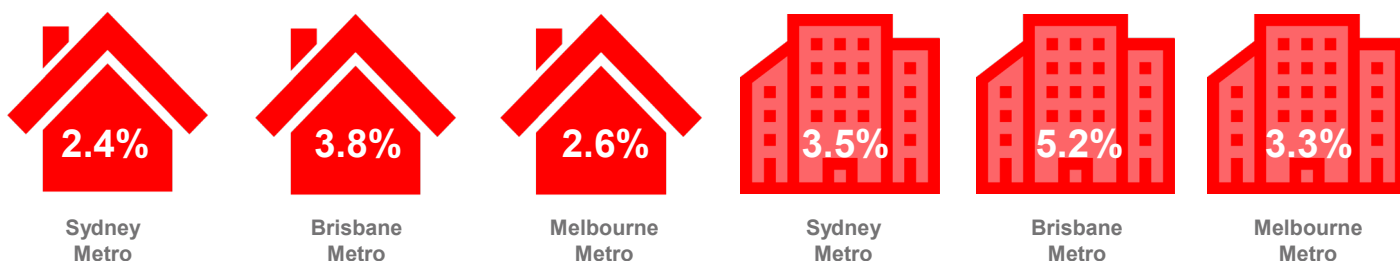
In March 2021, Sydney Metro recorded a vacancy rate of 3.5%, below that of Melbourne Metro (4.4%), but above Brisbane Metro (1.5%). Vacancy rates in Sydney Metro sit slightly above the Real Estate Institute of Australia's healthy benchmark of 3.0%, which was also the case prior to COVID-19. Further, Sydney Metro's vacancy rate has shown a declining trend since peaking in May 2020 due to COVID-19, offering investors confidence in what is a historically strong market.



RENTAL VACANCY RATES 2021



RENTAL YIELD 2021§



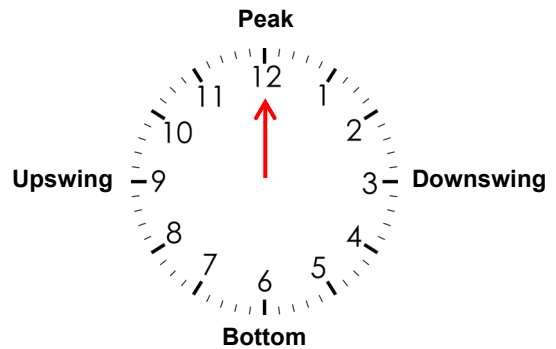
€ Annual rental growth is a comparison between 2019 and 2020/21 (01/01/2020 – 31/03/2021) house median rent figures.

§ Rental yields shown are as reported at March 2021.

Source: APM Pricerfinder, SQM Research. © Copyright PRD 2021.

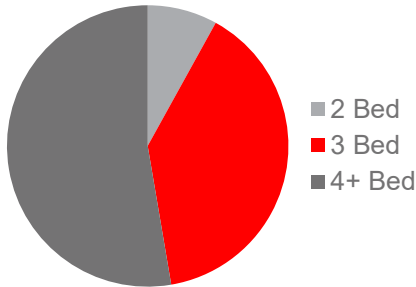


PROPERTY CLOCK - HOUSES



AFFORDABLE & LIVEABLE HOUSE SUBURBS

PEAKHURST 2210

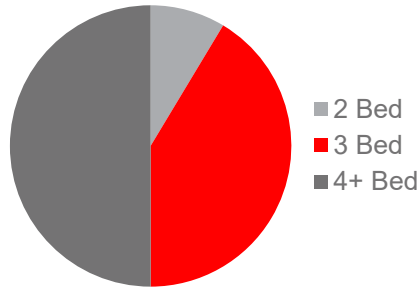


Located about **16.0km** from the Sydney CBD.

- Median House Price **\$1,200,000**
- 2 Bed Median Price **\$910,000***
- 3 Bed Median Price **\$987,500**
- 4+ Bed Median Price **\$1,280,000**

Having now been featured a record five times over the past six guides (including the *2nd Half 2018^μ*, *1st Half 2019^ε*, *1st Half 2020[¥]*, and *2nd Half 2020^ε* guides), Peakhurst is a top affordable and liveable suburb, with a recent history of great performance. The suburb showed strong positive median house price growth of 20.0%** annually. This waterside suburb is continuing to prove its liveability by offering low crime, various parklands, public transport options, schools, medical facilities, plus proximity to major amenities such as Westfield Mortdale. Investors have benefited from average house rental yields of 2.4% (on-par with Sydney Metro), and a low vacancy rate of 2.4% (well below Sydney Metro's 3.4%), which shows its value to a range of buyers.

JANNALI 2226

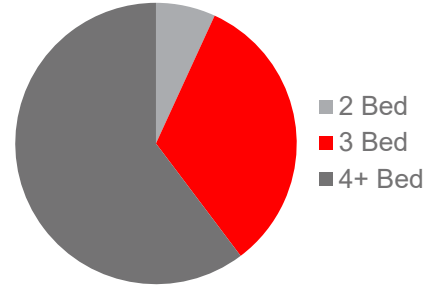


Located about **20.0km** from the Sydney CBD.

- Median House Price **\$1,200,250**
- 2 Bed Median Price **\$1,051,000***
- 3 Bed Median Price **\$1,110,000**
- 4+ Bed Median Price **\$1,242,500**

Located south of Sydney CBD, Jannali has previously featured in the *1st Half 2018^φ* and *2nd Half 2018^μ* guides, making it a repeat top performer. The suburb boasts a very low unemployment rate of just 2.7% and an estimated \$3.7M[^] in projects scheduled for the 1st half of 2021. This includes the development of 6 townhouses and 5 dwellings. The suburb recorded strong median price growth of 18.8%** annually, and boasts a very low vacancy rate of just 0.9%, making it attractive to investors. Liveability is a strong point, with bus and train stations, multiple public and private schools nearby, parklands, a retail precinct, and a low crime rate. With a low number of residential projects and high demand, there is an opportunity for first time investors.

CARINGBAH 2229



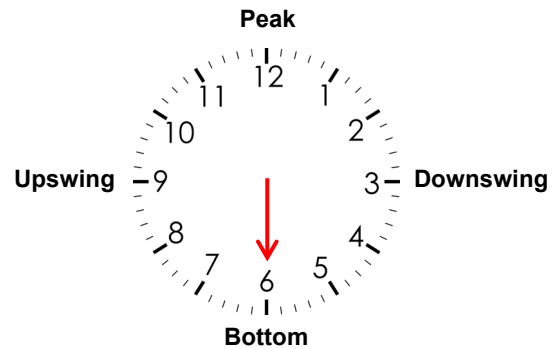
Located about **19.0km** from the Sydney CBD.

- Median House Price **\$1,375,000**
- 2 Bed Median Price **\$1,233,000***
- 3 Bed Median Price **\$1,300,000**
- 4+ Bed Median Price **\$1,450,500**

As a first-time featured top affordable and liveable suburb, Caringbah sits on the southern shore of Georges River and is located south of the Sydney CBD. Strong median house price growth of 14.5%** annually is good news for homeowners, while investors also have reason to take interest in the suburb, returning 3.2% rental yields (above Sydney Metro's average of 2.4%) and offering a low vacancy rate of 1.4% (well below Sydney Metro's 3.4%). With \$28.9M of projects commencing in the 1st half of 2021, Jannali is set to receive spill-over benefits from a range of projects such as foreshore landscaping of the Woolloomooloo Bay Town Centre, Kingsway & Hinkler Avenue Mixed Building, and approximately 56 new housing stock added to the market.



PROPERTY CLOCK - UNITS

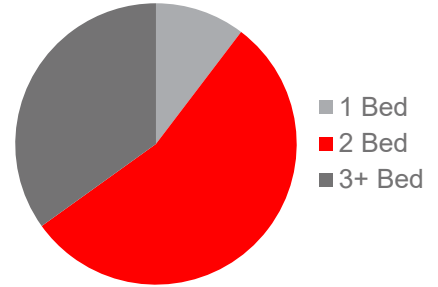
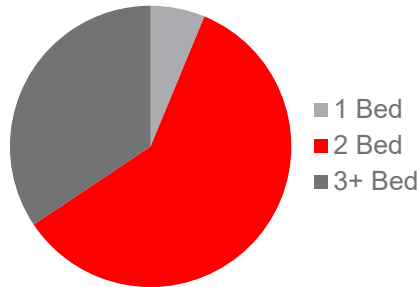
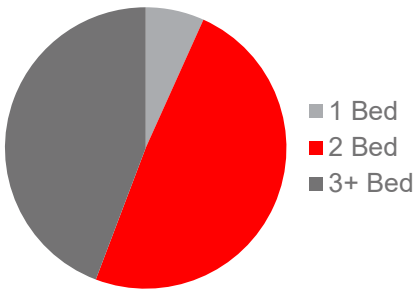


AFFORDABLE & LIVEABLE UNIT SUBURBS

PEAKHURST 2210

NARWEE 2209

CARINGBAH 2229



Located about **16.0km** from the Sydney CBD.

- Median Unit Price **\$685,000**
- 1 Bed Median Price **\$513,750***
- 2 Bed Median Price **\$655,000**
- 3+ Bed Median Price **\$880,000**

Located south of Sydney CBD, Peakhurst is one of two suburbs in this guide that appears for houses and units. Economic fundamentals remain strong in the area, with a low unemployment rate of 4.5%. A \$25.1M project development for the 1st half of 2021 includes Park Street Child Care Centre and Peakhurst Residential Care Lodge, which will play a positive role in local job growth. Investors in Peakhurst benefit from a low vacancy rate of 2.4%, as well as average unit rental yields of 3.8%, outperforming Sydney Metro (at 3.4% and 3.5% for vacancies and yields respectively). Annual unit median price growth of 5.4%** in the suburb is a positive for property owners, while a median price under \$700,000 provide first home buyers with an opportunity.

Located about **15.0km** from the Sydney CBD.

- Median Unit Price **\$7612,500**
- 1 Bed Median Price **\$477,500***
- 2 Bed Median Price **\$505,500***
- 3+ Bed Median Price **\$835,000***

Being a top affordable and liveable suburb for the first time, Narwee is also the closest suburb to the Sydney CBD from this guide's top suburbs. Narwee is also the most affordable top suburb for units, while also having shown median price growth of 18.9%** annually. An unemployment rate of 5.9% sits below the NSW average, while \$7.6M[^] in projects commencing in the 1st half of 2021 will further contribute positively to local economic output. Investors can be confident in average rental yields of 3.9%, above Sydney Metro's average of 3.5%, and vacancies sitting at 3.1% (lower than Sydney Metro). Liveability is proven in Narwee, with amenities including a dog park and nature reserve, train and bus stops, local shopping, medical services, schooling and more.

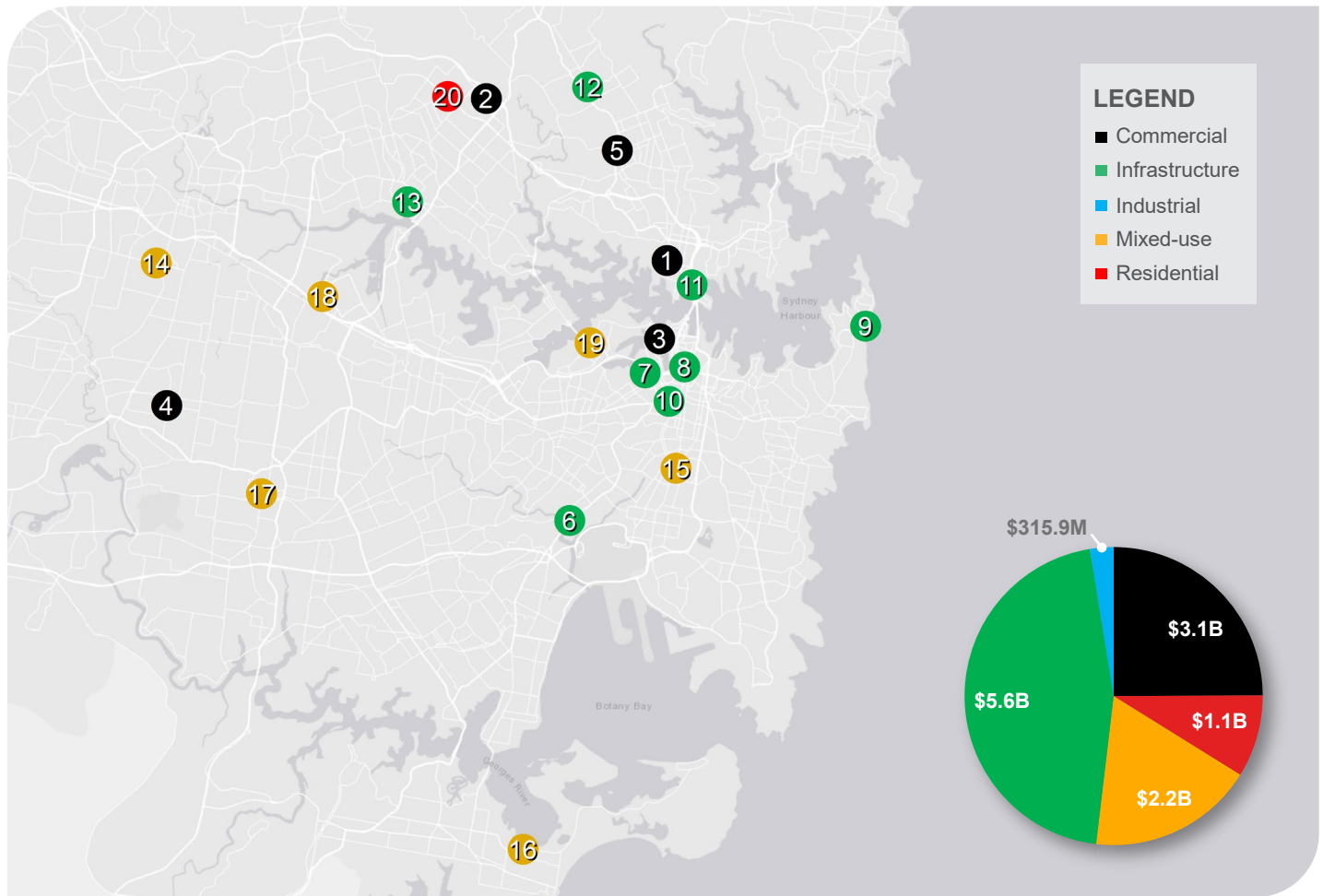
Located about **19.0km** from the Sydney CBD.

- Median Unit Price **\$701,000**
- 1 Bed Median Price **\$477,500**
- 2 Bed Median Price **\$653,750**
- 3+ Bed Median Price **\$960,000**

Caringbah is another suburb in the guide to feature for both houses and units, highlighting the strength of its liveability and affordability to both investors and residents. The local economy is in a healthy position, featuring a low unemployment rate of 4.5%, below the NSW average. This signals a more thriving job market, which has the potential of translating into higher property demand. The median unit price has seen a growth of 2.1%** annually, while investors have been benefiting from average unit rental yields of 3.7%, alongside a low vacancy rate of 1.4%. Liveability factors are also evident in the area, with all criteria being met through various amenities such as shops, parks and public transport, as well as low crime and health services.

*Quoted estimated values of projects are based on reported land/construction values as stated by the relevant data authority and do not signify their commercial/resale value. **Median price is quoted as an indication only due to having less than 20 sales transactions. **Median price growth quoted captures sale transactions from 1st January 2020 to 31st March 2021, or Q1 2020 – Q1 2021. Source: APM Pricerfinder, SQM Research, Cordell Connect, Department of Small Jobs and Business, Google Maps. © PRD 2021.

PROJECT DEVELOPMENT MAP 1ST HALF 2021*



Location	Project [£]	Type	Estimated Value ^µ	Suburb
1	Sydney Metro City & Southwest - Victoria Cross Over Station Development	Commercial	\$476,000,000	Sydney
2	Macquarie Park Data Centre - M_park	Commercial	\$263,626,000	Macquarie Park
3	The Sandstone Precinct - The Patina Sydney	Commercial	\$247,728,000	Sydney
4	Logos Logistics & Intermodal Estate Villawood	Commercial	\$200,000,000	Villawood
5	Victoria Avenue Commercial & Community Development	Commercial	\$158,578,000	Chatswood
6	Sydney Gateway Road Project	Infrastructure	\$2,600,000,000	St Peters
7	Sydney Fish Markets	Infrastructure	\$749,000,000	Glebe
8	Sydney Metro City & Southwest - Pitt Street Integrated Station Development	Infrastructure	\$463,000,000	Sydney
9	Sydney Metro City & Southwest - Crows Nest Station	Infrastructure	\$370,000,000	Sydney
10	Sydney Fish Market Project Now Included In7001782	Infrastructure	\$250,000,000	Glebe
11	Warringah Freeway	Infrastructure	\$150,000,000	Naremburn
12	Lindfield Village Hub	Infrastructure	\$150,000,000	Lindfield
13	TAFE Meadowbank Multi-trades & Digital Technology Hub	Infrastructure	\$137,000,000	Meadowbank
14	Merrylands Road Mixed Use Development (790 Apartments)	Mixed-use	\$293,418,000	Merrylands
15	Green Square Town Centre - Site 15 (323 Apartments)	Mixed-use	\$240,058,000	Zetland
16	Woolooware Bay Stage 4	Mixed-use	\$234,000,000	Woolooware
17	Poly Bankstown - Spring Square (516 Apartments)	Mixed-use	\$215,433,000	Bankstown
18	YMCI Homebush City Garden - Zone 3 - Ovation Quarter (417 Units)	Mixed-use	\$172,744,000	Lidcombe
19	Balmain Tigers Leagues Club Redevelopment (173 Units)	Mixed-use	\$135,300,000	Rozelle
20	Epping Road Apartments (317 Apartments)	Residential	\$146,333,000	Macquarie Park

ABOUT PRD RESEARCH

PRD Research Division provides reliable, unbiased, and authoritative property research and consultancy to clients in metro and regional locations across Australia

Our extensive research capability and specialised approach ensure our clients can make the most informed and financially sound decisions about residential and commercial properties.

OUR KNOWLEDGE

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

As the first and only truly knowledge based property services company, PRD shares experience and knowledge to deliver innovative and effective solutions to our clients.

We have a unique approach that integrates people, experience, systems and technology to create meaningful business connections. We focus on understanding new issues impacting the property industry; such as the environment and sustainability, the economy, demographic and psychographic shifts, commercial and residential design; and forecast future implications around such issues based on historical data and fact.

OUR PEOPLE

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

Skilled in deriving macro and micro quantitative information from multiple credible sources, we partner with clients to provide strategic advice and direction regarding property and market performance. We have the added advantage of sourcing valuable and factual qualitative market research in order to ensure our solutions are the most well considered and financially viable.

Our experts are highly sought after consultants for both corporate and government bodies and their advice has helped steer the direction of a number of property developments and secured successful outcomes for our clients.

OUR SERVICES

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

We have the ability and systems to monitor market movements, demographic changes and property trends. We use our knowledge of market sizes, price structure and buyer profiles to identify opportunities for clients and provide market knowledge that is unbiased, thorough and reliable.

PRD does not give any warranty in relation to the accuracy of the information contained in this report. If you intend to rely upon the information contained herein, you must take note that the Information, figures and projections have been provided by various sources and have not been verified by us. We have no belief one way or the other in relation to the accuracy of such information, figures and projections. PRD will not be liable for any loss or damage resulting from any statement, figure, calculation or any other information that you rely upon that is contained in the material. Prepared by PRD Research © All medians and volumes are calculated by PRD Research. Use with written permission only. All other responsibilities disclaimed.



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

PRD Research

T +61 7 3229 3344

E research@prd.com.au

PRD.com.au

