



HOTSPOTS REPORT

SYDNEY
2nd HALF 2015



MARKET CONDITIONS 2015

This Sydney Hotspot Report analyses all suburbs within Sydney's greater metropolitan region, to highlight suburbs with above average growth in over the past 12 months to June 2015.

To assist in determining Sydney's hotspots, a number of key indicators are considered. Firstly, annual median price growth between 2014 and 2015 provided insight of the interaction and tension between supply and demand and prices. Secondly, the aggregate estimates of residential, commercial, and infrastructure project developments forecast to commence in 2015 onwards - used to evaluate the strength and movement of investment to an area, levels of property supply and general economic activity. Finally, average days on market and vendor discount are considered, which indicates the level of activity amongst buyers and sellers in the market, and subsequent attractiveness. Other indicators include rental growth, population growth, proximity to employment hubs and transport nodes.

The past 12 months have marked a year of exceptional price growth for the Sydney metropolitan market. Across the region, the house median price has remained relatively steady with price growth of 0.6% to \$811,811, while the median unit price experienced an average of 8.3% growth to \$615,400.

2015 TOP PERFORMERS

Area	Suburb	Type	Median Price 2014	Median Price 2015	Annual Growth	Projects 2015
Inner	Alexandria	House	\$945,000	\$1,295,000	27.0%	\$409.1M
	Woolloomooloo	Unit	\$588,000	\$770,000	23.6%	\$26.8M
North	North Ryde	House	\$955,000	\$1,270,000	24.8%	\$432.5M
	Castle Hill	Unit	\$645,000	\$743,500	13.2%	\$599.1M
South	Kingsgrove	House	\$855,000	\$1,092,000	21.7%	\$3.4M
	Brighton-Le-Sands	Unit	\$500,000	\$615,000	18.7%	\$11.4M
East	Rose Bay	House	\$1,470,000	\$1,745,000	15.8%	\$13.9M
	North Bondi	Unit	\$730,500	\$870,000	16.0%	\$7.4M
West	St Marys	House	\$400,000	\$502,750	20.4%	\$249.5M
	Cabramatta	Unit	\$305,500	\$385,000	20.6%	\$6.5M

The majority of Sydney metropolitan suburbs have reported strong growth during the past 12 months, where double digit price growth has characterised the market's tempo. Sydney real estate performance has been closely related to persistent investor activity and strong population growth linked with employment. Unprecedented levels of demand has caused apparent dismay for first home buyers, as housing affordability in the metro market suffers. In 2015 there have been renewed push to stem demand and mitigate affordability woes, with concerted efforts to open new supply lands along with strategic inner-city rezoning. Residential projects dominate the forecast development pipeline beyond 2015 (approximately \$23.7B), concentrated at Sydney's middle and outer rings.



KEY MARKET INDICATORS*

Change from Last	Year	Half Year
House sales	↓	↓
House median	↔	↓
House rents	↑	↑
Unit sales	↓	↓
Unit median	↑	↑
Unit rents	↑	↑

"Sydney pushes for more new lands and strategic inner-city rezoning, to accommodate for increasing local and overseas investor appetite."

Thomas Doyle,
PRDnationwide Research Analyst



*Note: Median price for 2015 captures sales up to and inclusive of 31 June 2015.

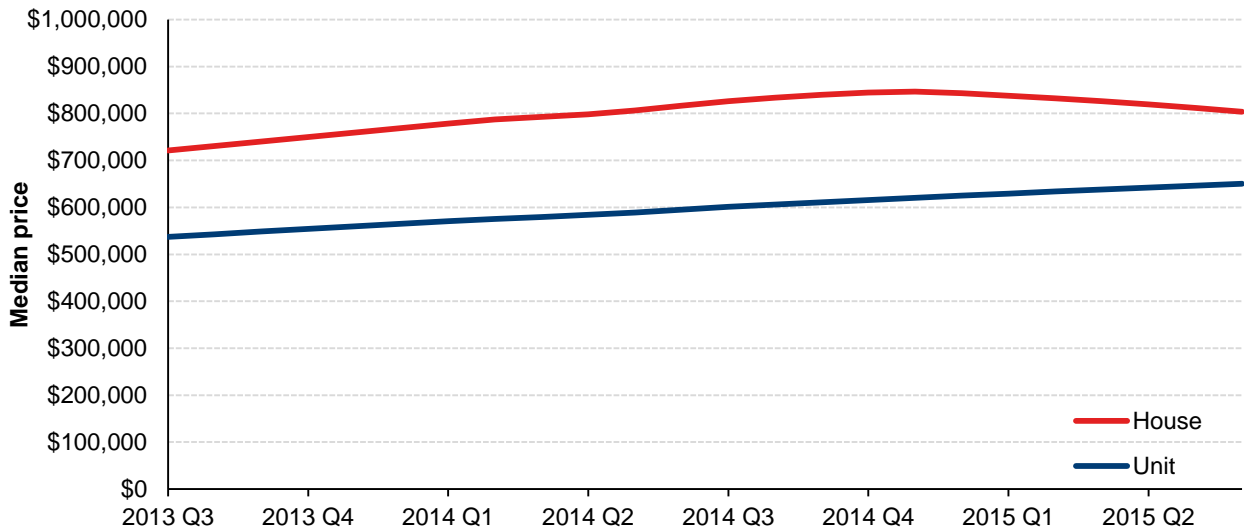
**Note: Project Development spending is based on aggregate of estimated land and construction value for residential, commercial and infrastructure scheduled to commence construction within 2015. It does not indicate commercial and/or re-sale value.

Disclaimer: Suburb boundaries and identification as per Wikipedia

Source: Cordell Database, APM Pricer, New South Wales Department of Family and Community Services, Real Estate Institute of New South Wales

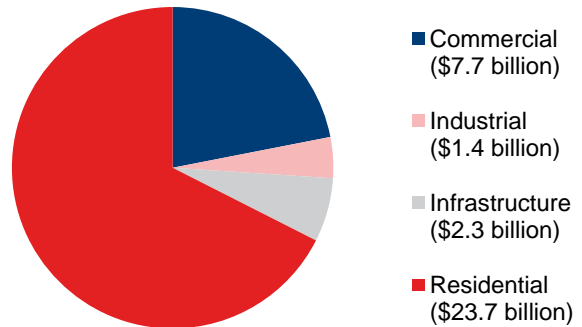
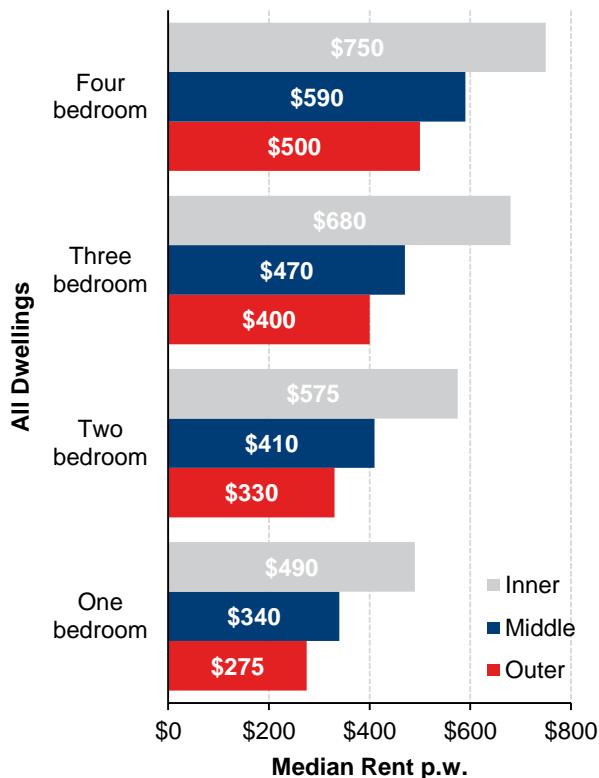
GREATER SYDNEY KEY INDICATORS

MEDIAN PRICE GROWTH[^]



QUARTERLY MEDIAN RENTS^{^^}

FY 2015-16 PROJECT PIPELINE*



The Sydney metropolitan region is forecast to receive \$35B worth off new development projects over the next 12 months. The majority of the funding pipeline will be directed to residential development in Sydney's middle and outer ring. These projects are further supplemented by a the \$2.3B slice of infrastructure funding, which will be largely directed at residential capital works and new housing supply lands.

The forecast schedule of funding highlights a municipal push to stimulate housing supply and mitigate affordability woes in the Sydney metropolitan region. As a result, housing affordability in Sydney's property market should improve as demand is relieved.

*Disclaimer: Project Development data includes projects commencing construction 01/07/2015-31/06/2015. Estimated value represents land and construction value, and does not indicate commercial and/or sale value.

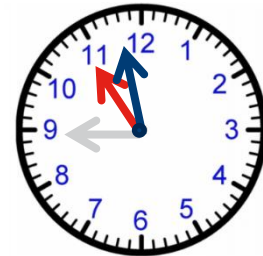
[^]Median price growth graph is representative of median price growth across Sydney Metropolitan area since July 2013.

^{^^}Quarterly median rents graph is indicative of data across the Sydney metropolitan area over since July 2014 to June 2015.

Source: Cordell Database, APM Pricefinder, New South Wales Department of Family and Community Services, Real Estate Institute of New South Wales

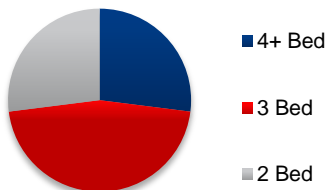


PROPERTY CLOCK 2015



■ Sydney
■ Metro NSW
■ Regional NSW

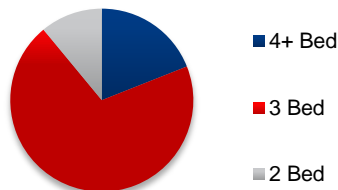
HOUSE HOTSPOTS 2016



AUBURN 2142

Approx. distance from CBD* **17km**
Median house price **\$800,000**

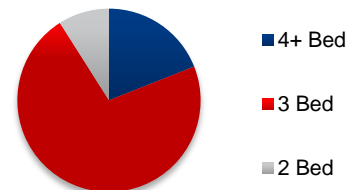
One of Sydney's most affordable Housing markets, Auburn has shown exceptional capital growth in recent months. Central to Parramatta, Bankstown and Sydney CBD's, Auburn is strongly connected with strategic economic and transport nodes. Scheduled \$517.7M of projects from 2015.



REVESBY 2212

Approx. distance from CBD* **20km**
Median house price **\$836,000**

Revesby is one of Sydney's most affordable suburbs within Sydney's inner-ring region. Local area population growth is estimated amongst Sydney's highest growth rates at 2.3% per annum to 2031, which signals strong conditions for capital growth in the current market cycle.

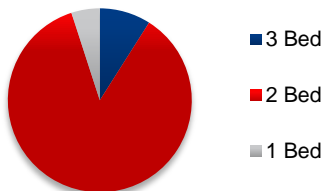


BEXLEY 2207

Approx. distance from CBD* **12km**
Median house price **\$962,500**

Bexley is central of the booming St. George area, a region at the heart of Sydney's exceptional price growth. One of St George's more affordable suburbs, Bexley is yet to experience the full upswing witnessed in the current market cycle - a compelling opportunity for buyers.

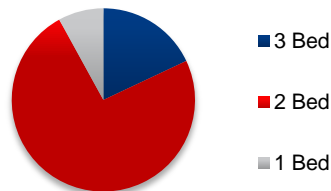
UNIT HOTSPOTS 2016



MORTDALE 2223

Approx. distance from CBD* **17km**
Median unit price **\$555,000**

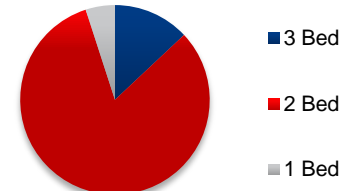
Mortdale records the most affordable median prices when compared to surrounding area, averaging 5.5% below neighboring suburbs. Offering compelling capital growth, Mortdale presents an excellent starting point for first homebuyers looking to enter Sydney's property market. Scheduled \$14.9M of projects from 2015.



GRANVILLE 2142

Approx. distance from CBD* **19km**
Median unit price **\$415,000**

Conveniently located within 5km of Parramatta CBD and features strong connection with M4 and rail. Granville has shown subdued growth compared to neighboring suburbs. Relatively high unit rental yields of +5.0% and strategic expansion of the Parramatta CBD spells great potential for younger home buyers.



BELMORE 2192

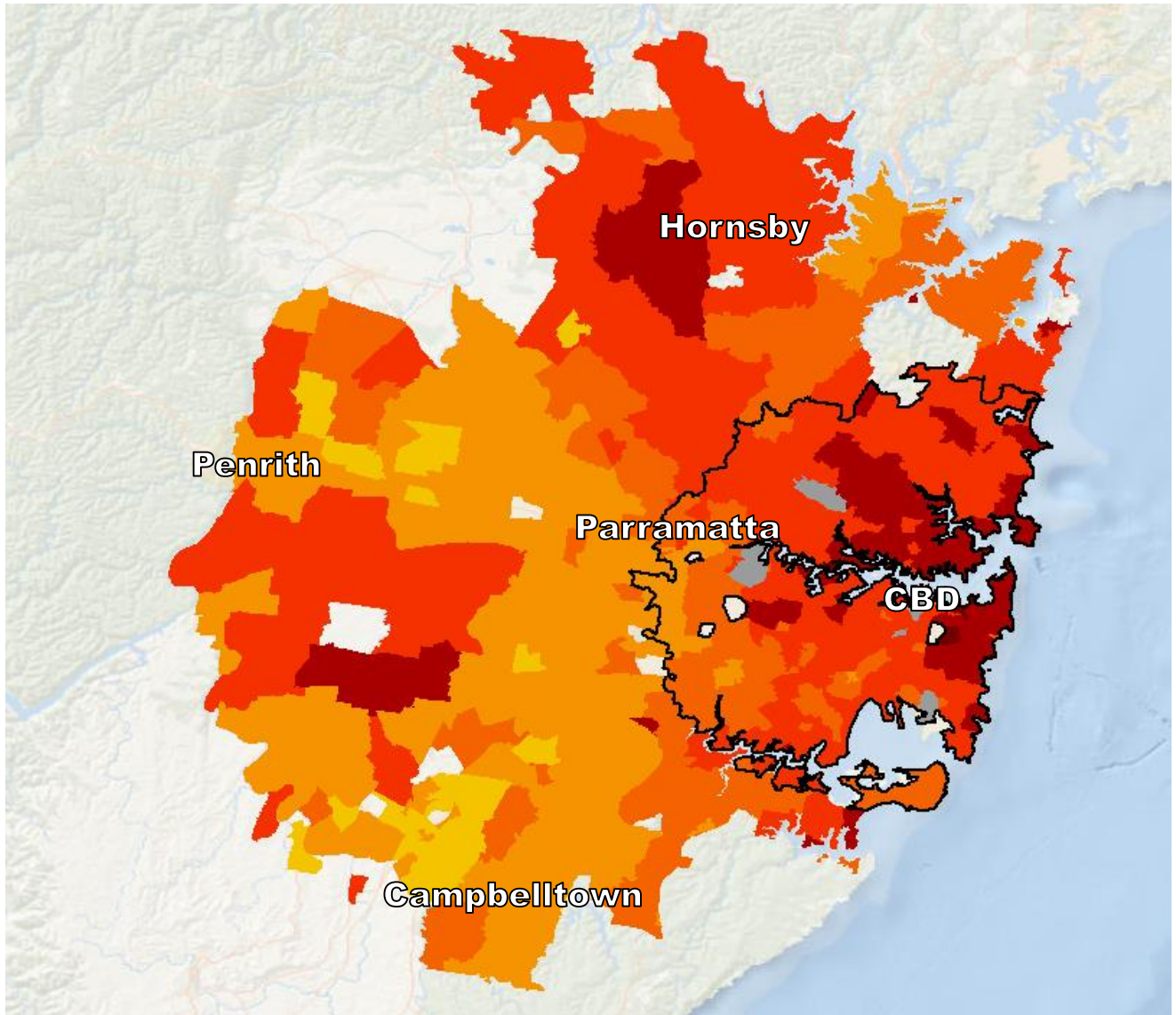
Approx. distance from CBD* **12km**
Median unit price **\$445,000**

An estimated population growth of 1.6% per annum until 2031 and \$74 million in planned commercial development signals sustainable growth for Belmore. Great affordability, Belmore is perfect for first homebuyers looking to enter the market and supported by strong connectivity with Sydney CBD.

* Note: Approximate distance to CBD quoted in this page refers to distance to Sydney CBD

Source: APM PriceFinder, New South Wales Department of Planning and Environment, Australian Bureau of Statistics, Real Estate Institute of New South Wales

SYDNEY MEDIAN HOUSE PRICE SUBURB MAP FY2015



LEGEND

	DATA NOT AVAILABLE
	< \$500,000
	\$500,000 - \$750,000
	\$750,000 - \$1,000,000
	\$1,000,000 - \$1,500,000
	\$1,500,000 - \$2,500,000
	> \$2,500,000
	20 KM FROM CBD

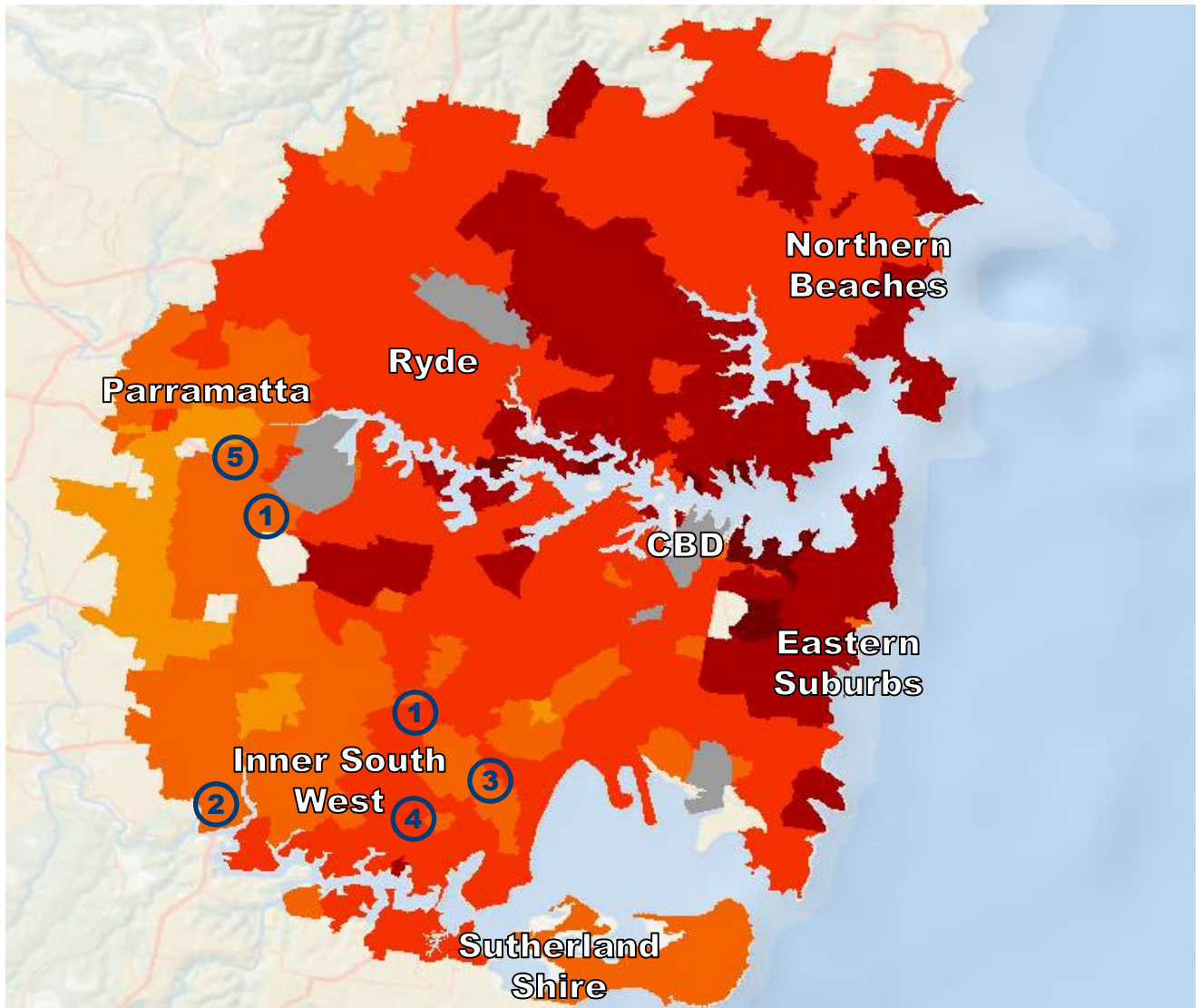
Top 3 Affordable Suburbs (<20km)	Median Price 2015	Project Development**	Median Rent (Q2)	Rental Yield
Rosehill	\$659,500	\$57.2M	\$500	4.0%
Sefton	\$700,000	\$7.4M	\$500	4.2%
Chester Hill	\$700,000	\$18.0M	\$480	4.4%
Top 3 Expensive Suburbs (<20km)	Median Price 2015	Project Development**	Median Rent (Q2)	Rental Yield
Watsons Bay	\$1,920,000	-	\$1,700	3.2%
Bronte	\$1,820,000	\$637,000	\$1,550	3.4%
Clontarf	\$1,800,000	\$4.7M	\$1,600	3.3%

*Source: APM Pricefinder, Real Estate Institute of New South Wales, NSW Department of Planning & Environment, ESRI

** Projects from July 2015 onwards



SYDNEY MEDIAN HOUSE PRICE SUBURB MAP FY2015 LESS THAN 20KM FROM CBD



LEGEND

DATA NOT AVAILABLE
< \$500,000
\$500,000 - \$750,000
\$750,000 - \$1,000,000
\$1,000,000 - \$1,500,000
\$1,500,000 - \$2,500,000
> \$2,500,000

	Hotspot Suburb	House Rental Yield	Unit Rental Yield
1	Auburn	3.0%	4.7%
2	Revesby	3.1%	4.2%
3	Bexley	3.0%	4.2%
4	Mortdale	2.9%	3.7%
5	Granville	3.5%	5.0%
6	Belmore	3.0%	4.2%

ABOUT PRDnationwide RESEARCH

PRDnationwide's 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 ensures 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, PRDnationwide 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 customized 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.



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

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