



# HOTSPOTS REPORT

**SYDNEY**  
1<sup>st</sup> HALF 2015



## OVERVIEW

This Sydney Hotspot Report analyses the property market in Greater Sydney (inclusive of 60km surrounding the CBD) to highlight areas with the potential for above average growth in 2015.

To assist in determining hotspots, a number of key indicators have been utilised. Some of the main indicators include 2014 annual price growth, which assists in determining the interaction between supply and demand; as well as whether an area is over or undervalued. Then the upcoming project development pipeline is analysed. This is done because projects that add connectivity, amenity or further employment to an area typically have a positive effect on demand; and higher demand suggests buyers will potentially be willing to pay more for properties within the area. To gain greater certainty only projects commencing in the 1<sup>st</sup> half of 2015 have been considered. Other indicators include rental growth, proximity to employment hubs, as well as existing and future dwellings supply.

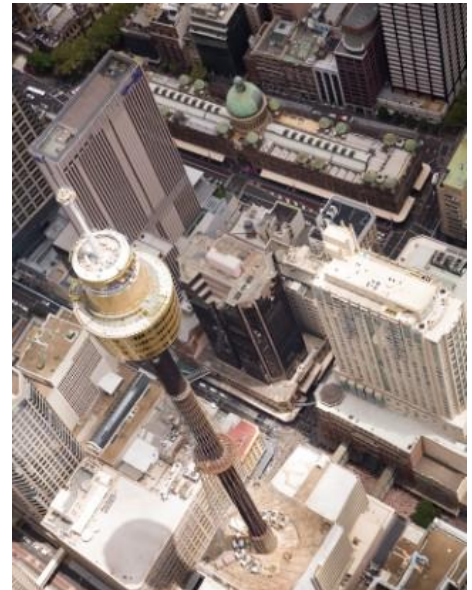
## 2014 TOP PERFORMERS

2014 marked a year of exceptional price growth for the Greater Sydney market with the median house price across the region growing by an average of 13.4% to \$885,400; while the median unit price jumped an average of 8.3% to \$615,400.

City Council	Dwelling Type	Median Price Dec 2013	Median Price Dec 2014	Annual Change
Ryde	House	\$ 985,000	\$ 1,230,000	25%
Sydney City	House	\$ 996,250	\$ 1,218,000	22%
Auburn	House	\$ 670,000	\$ 816,700	22%
Botany Bay	House	\$ 904,000	\$ 1,080,000	19%
Ku-ring-gai	House	\$ 1,330,000	\$ 1,570,000	18%
Ashfield	Unit	\$ 503,000	\$ 596,000	18%
Burwood	Unit	\$ 558,000	\$ 650,000	16%
The Hills Shire	Unit	\$ 560,000	\$ 648,000	16%
Fairfield	Unit	\$ 300,000	\$ 345,000	15%
Bankstown	Unit	\$ 383,000	\$ 440,000	15%

The majority of Sydney Metro Councils reported double digit house price growth in 2014. Over this period PRDnationwide Research noticed an increase in second and third homebuyers, continuing to take advantage of low interest rates and increased equity in their home. This has resulted in higher growth for single family dwellings. Meanwhile unit growth is mostly attributed to an increasing demand from buyers looking for affordability and/or location over the space found in a house.

Other key influences that have effected the Sydney market over the past 12 months include foreign investors, who represented 7.1% of all buyers in Sydney - well above the national average of 3.4%. The underlying lack of supply, particularly for new houses within the inner to middle ring, was also a key driver for price growth. Hence the majority of new subdivisions in 2014 are located over 35km from Sydney CBD.



## KEY MARKET INDICATORS\*

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

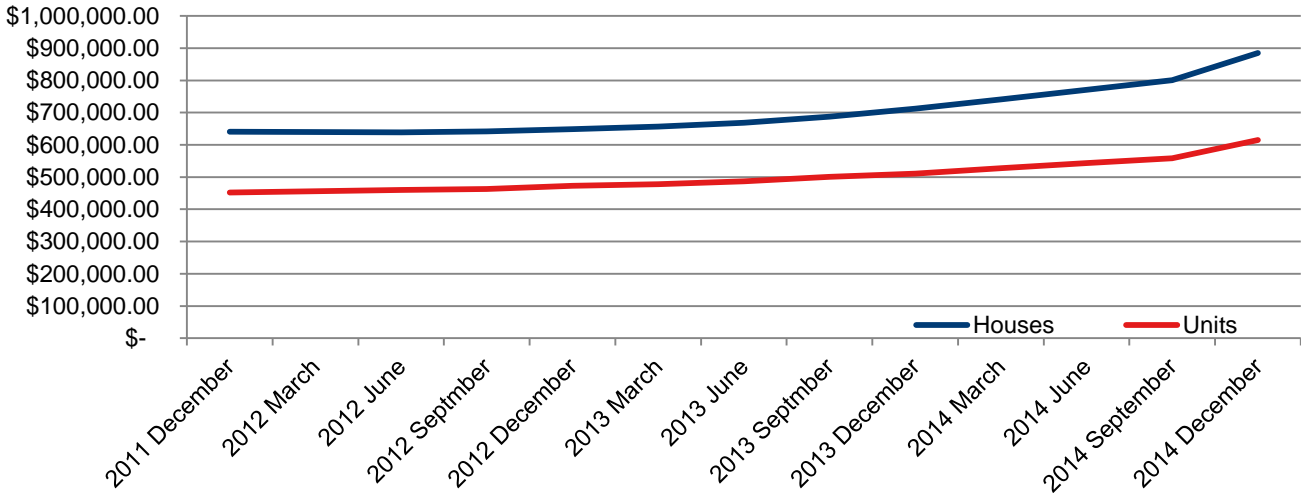
“Sydney witnessed outstanding growth in 2014, but both owner occupiers and investors will need to be more selective in 2015 to secure as strong returns”

Harrison Hall,  
PRDnationwide Research Analyst

\*Indicators are based registered sales and rent data across all LGA's within the greater Sydney boundaries.

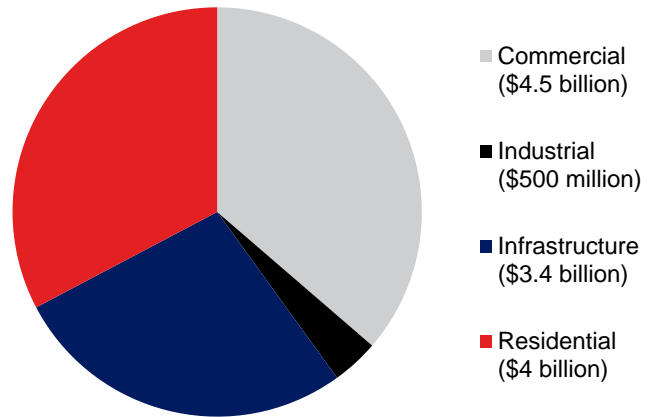
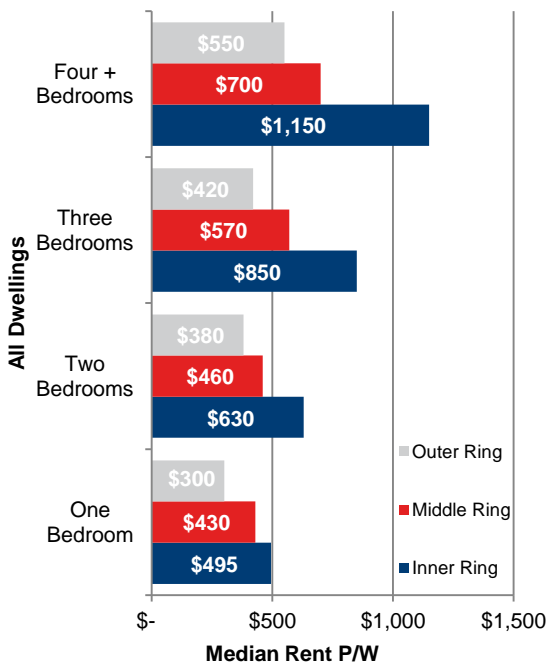
## GREATER SYDNEY KEY INDICATORS

### MEDIAN PRICE GROWTH<sup>^</sup>



### QUARTERLY MEDIAN RENTS<sup>^^</sup>

### 1<sup>st</sup> HALF 2015 PROJECT PIPELINE



Investors continue to enjoy a healthy mix of capital gains and rental yields in Sydney. Current returns indicate an average yield of 3.4% for houses and 4.3% for units across Greater Sydney. Furthermore in the first half of 2015 the Greater Sydney area is set to receive \$12.4 billion worth of new developments. Highlights include the commencement of the \$540 million Northern Beaches Hospital and a \$200 million mixed use development (including 538 apartments and retail space) within the Darling Harbour Urban Renewal Precinct.

\*Disclaimer: Project Development data includes projects commencing construction 1/1/2015 onwards. Estimated value represents land and construction value, and does not indicate commercial and/or sale value.

<sup>^</sup>Median price growth graph is representative of median price growth across Greater Sydney for the past 3 years.

<sup>^^</sup>Quarterly median rents graph is indicative of data across the Greater Sydney area over the September 2014 quarter.

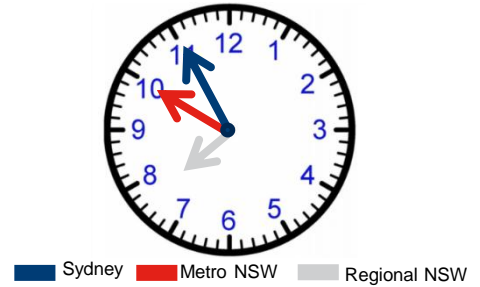
Source: Cordell Database, Pricfinder, New South Wales Department of Family and Community Services, REINSW

## GREATER SYDNEY MARKET OUTLOOK

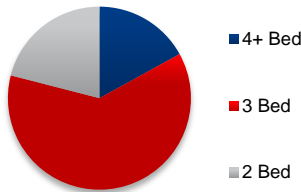
For 2015 investors will have to be smarter with their purchases to ensure their property experiences the strong growth found between 2013-2014. After such a strong 18 months it's expected the Greater Sydney market will witness a lower growth rate, however, there are strong gains for those who buy in the right location.

The outer ring is where the majority of growth is expected due to investment in infrastructure, population growth and a lower entry price; meanwhile improved buyer confidence should also see the luxury market perform well.

### 2015 PROPERTY CLOCK



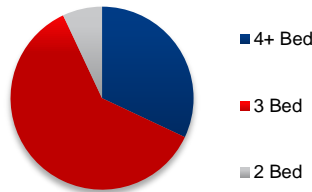
## HOUSE HOTSPOTS 2015



### CAMBRIDGE PARK 2747

Approx. distance from CBD\* **53km**  
Median house price **\$435,000**

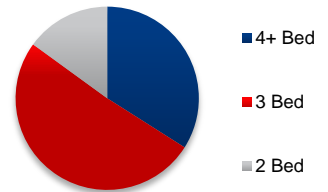
A perfect balance between affordability and location. It's only 4km from Penrith CBD and has easy access to key Western Sydney growth hubs. Most properties in the suburb are on large blocks and offer the opportunity to renovate or redevelop.



### CONCORD 2137

Approx. distance from CBD\* **15km**  
Median house price **\$1,340,000**

Concord is catching up to the desirability of its neighboring suburbs such as Strathfield and Cabarita while still being around 20% more affordable. It's also less than 15km from the employment centers of central Sydney, Macquarie park and Parramatta.

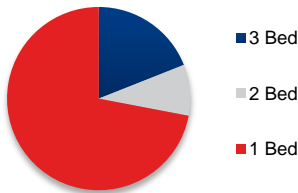


### MERRYLANDS 2160

Approx. distance from CBD\* **25km**  
Median house price **\$675,000**

Merrylands is located next to the improving M4 and is just south of Parramatta. There's a diverse range of properties to suit all types of buyers and is expected to receive \$230 million in new projects in 2015.

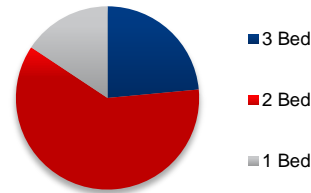
## UNIT HOTSPOTS 2015



### PENSHURST 2222

Approx. distance from CBD\* **17km**  
Median unit price **\$495,000**

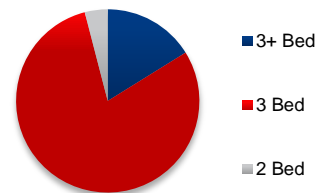
Penshurst offers a 5.8% lower median unit price when compared to surrounding suburbs while still having easy access to Hurstville and the Sydney CBD. The area is quickly gentrifying due to \$230 million in residential projects starting in 2015 bringing 1,080 new dwellings to the area.



### Homebush 2140

Approx. distance from CBD\* **14km**  
Median unit price **\$545,000**

Homebush is situated between Sydney CBD and Parramatta CBD and by 2020 should receive \$800 million in commercial and mixed-use projects; which will significantly improve local amenity and desirability. The area makes an excellent starting point for young professionals.



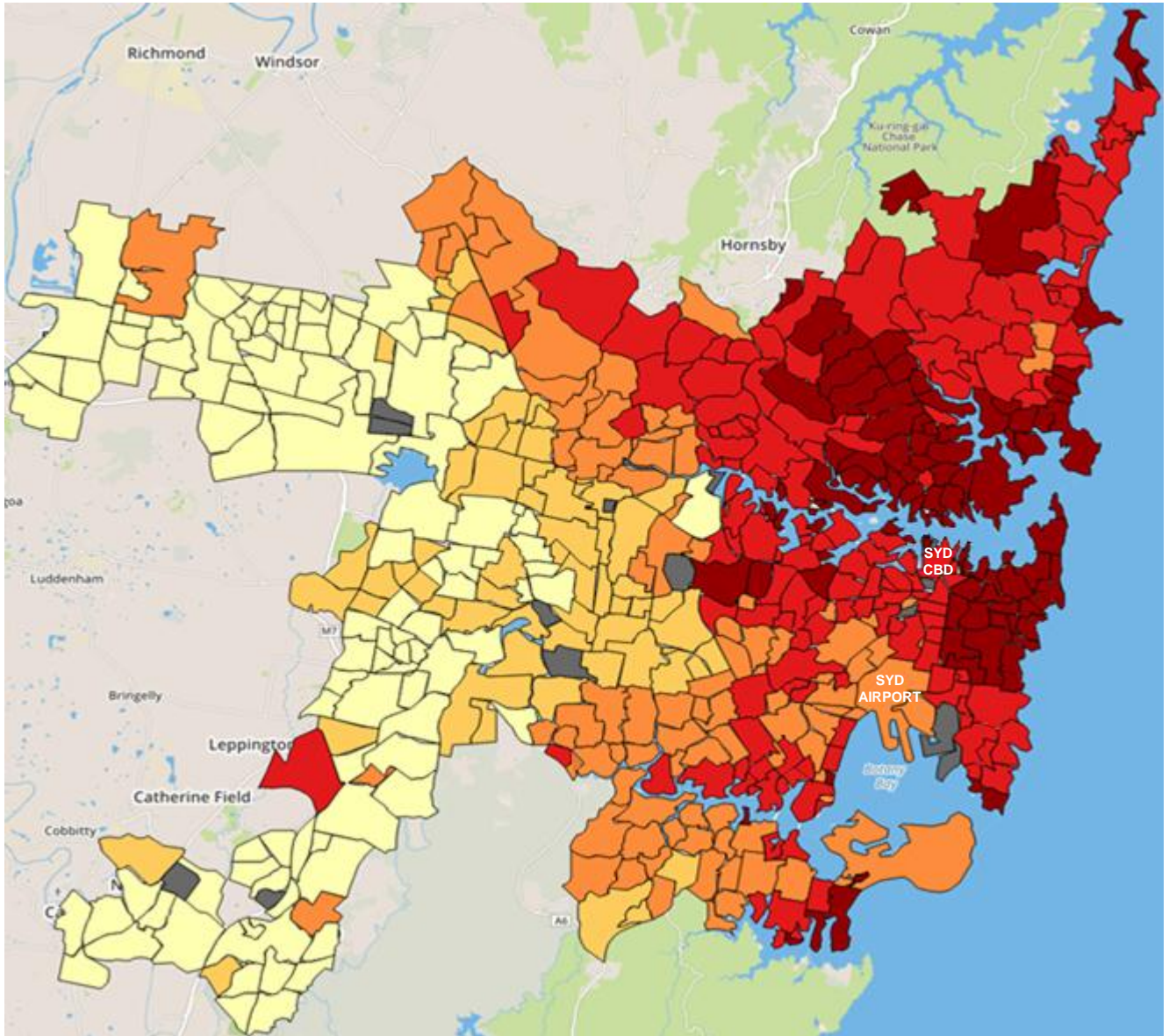
### LIVERPOOL 2170

Approx. distance from CBD\* **40km**  
Median unit price **\$332,000**

A quickly growing satellite city with an estimated rise in population of 2.1% per annum until 2031 and \$7.4 billion in planned infrastructure. Perfect for first homebuyers looking to enter the market; supported by local job growth and increased connectivity to the city.

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

# SYDNEY SUBURBS MEDIAN HOUSE PRICE MAP 1<sup>st</sup> HALF 2015



## LEGEND

	< \$600,000
	\$601,000- \$750,000
	\$751,000 - \$1,000,000
	\$1,001,000 - \$1,500,000
	\$1,501,000 +
	Data Not Available

## RENTAL YIELD AT PROPERTY HOTSPOTS

Property Type	Cambridge Park	Concord	Merrylands	Penshurst	Homebush	Liverpool
House	2.8%	4.2%	2.8%	4.2%	2.8%	4.2%
Unit	3.2%	5.2%	3.2%	5.2%	3.2%	5.2%

\*Source: New South Wales Department of Housing, Google Maps, Pricerfinder, Real Estate Institute of Australia

## 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 team is made up of highly qualified researchers who focus solely on property analysis**

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

**Dr Diaswati Mardiasmo**  
**National Research Manager**

32-36 Doggett Street, Newstead  
Queensland 4006, Australia  
T 07 3026 3366  
F 07 3166 0466  
M 0413 200 450  
E [astimardiasmo@prd.com.au](mailto:astimardiasmo@prd.com.au)  
[www.prdnationwide.com.au](http://www.prdnationwide.com.au)

# TO FIND OUT MORE

## Contact one of our National Franchise Services

### Queensland

32–36 Doggett Street,  
Newstead QLD 4006  
GPO Box 2750 Brisbane QLD 4001  
P 07 3229 3344 F 07 3221 7744  
E [brisbane@prd.com.au](mailto:brisbane@prd.com.au)

### Victoria

51 Lydiard Street,  
South Ballarat VIC 3350  
PO Box 540 Ballarat VIC 3350  
P 03 5331 1111 F 03 5331 5778  
E [victoria@prd.com.au](mailto:victoria@prd.com.au)

### New South Wales

Level 7, 10 Help Street,  
Chatswood NSW 2067  
GPO Box 2750 Brisbane QLD 4001  
P 02 9947 9160 F 02 9947 9163  
E [sydney@prd.com.au](mailto:sydney@prd.com.au)

### Tasmania

493 Main Road,  
Montrose TAS 7010  
PO Box 335 Glenorchy TAS 7010  
P 03 6273 5555 F 03 6273 0825  
E [tasmania@prd.com.au](mailto:tasmania@prd.com.au)

[www.prdnationwide.com.au](http://www.prdnationwide.com.au)

