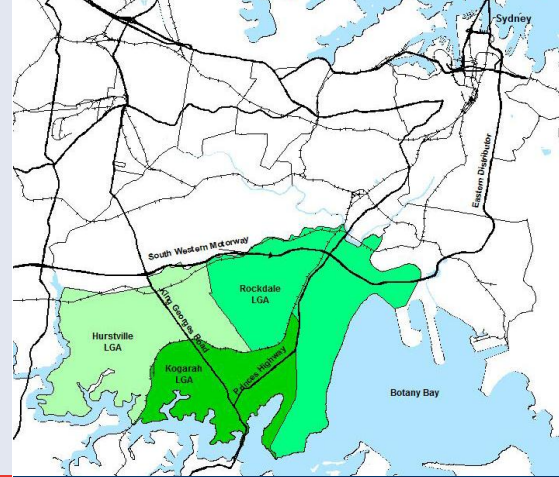


St George Regional Map

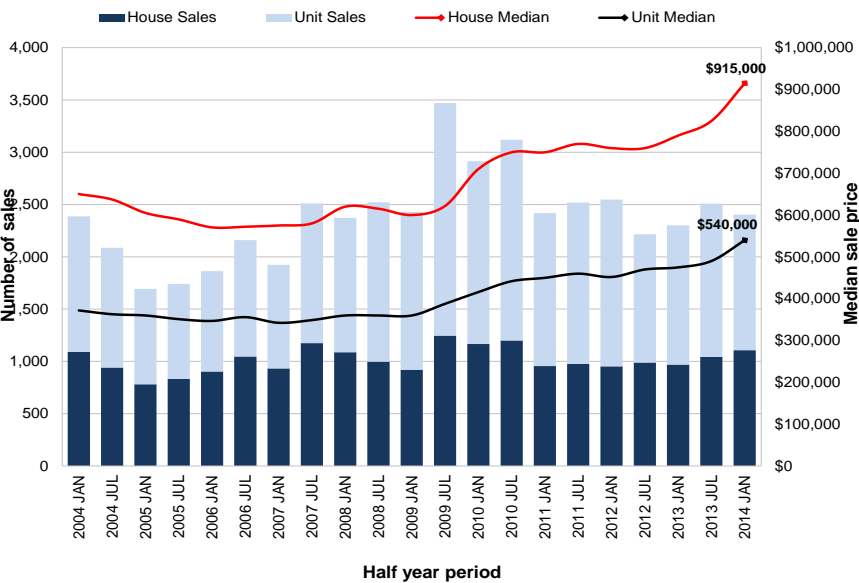


The following Property Watch report analyses the trends and performance of the St George residential market. The St George region is made up of the Hurstville, Kogarah and Rockdale City Local Government Areas as highlighted in the adjacent *St George Regional Map*.

Situated approximately 20 kilometers south-west of the Sydney CBD, St George is a group of suburbs known for its mix of convenience and lifestyle. The area is well connected thanks to major roads, rail routes as well as close proximity to Sydney Airport and also has a number of parks and recreational facilities.

St George has a diverse range of dwellings types ranging from compact apartments to full sized family homes which provides opportunities at all ends of the market. This Property Watch report will aim to further highlight the regions characteristics, analyse the market and forecast the future trends of the St George market.

St George Region House & Unit Sales Cycle



The St George property market is dominated by units due to demographic demands and a continual flow of new unit developments. In the annual period to January 2014 the market recorded 2736 sales which is an 8 per cent rise in transactions over 12 months. Over the same period median prices grew by a bullish 14 per cent while over 10 years median prices have grown more steadily at an average of 3.8 per cent per annum.

Houses and units in St George have trended on a similar pattern of growth over the past 10 years. In the annual period to January 2014 2150 sales were recorded which is in line with historic trends. In that same period however median prices grew by a strong 15.8 per cent. Over a 10 year period median prices have been more stable recording an average increase of 3.5 per cent per annum.

“ST GEORGE IS ONE OF THE STRONGEST PERFORMING REGIONS IN SYDNEY”

- Harrison Hall, PRDnationwide Research Analyst



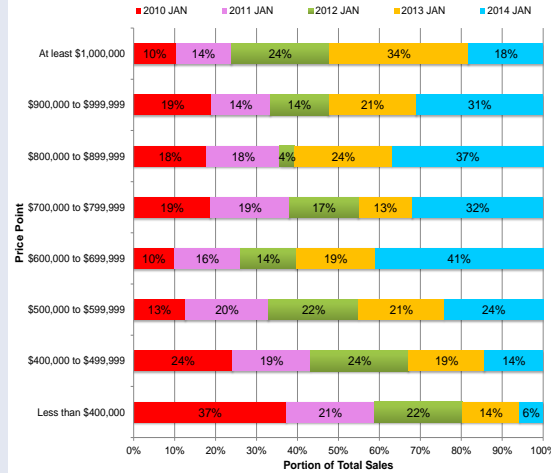
The Georges River

The St George price point chart indicates the shifts in unit prices across the area over the past five years. Overall there is a shift towards higher prices as affordable stock has been snapped up by savvy investors and first homebuyers who have been pushed out of inner city suburbs.

At the \$500,000 plus range the market has been bullish since 2009. The price point that increased the most was the \$600,000 to \$699,999 range which over the five years has grown a strong 31 per cent. This price point typically affords a modern two bedroom unit which is a popular property type in the region. The highest end of the market has also reported strong growth.

The price point that dropped the most in activity was the sub \$400,000 range which dropped by 41 per cent since 2009 while the \$400,000 to \$499,999 range recorded a decline of 10 per cent. This is due to demand for smaller apartments increasing which has pushed many units into the next price point. In the near future the \$500,000 to \$799,999 range is expected to grow the most in size.

St George Unit Price Points



St George Infrastructure Pipeline



St George is already a well established region however there is continual investment in infrastructure and new residential dwellings which should see strong growth moving forward. Currently there is approximately \$3.7 billion worth of development in the pipeline with the majority of development dedicated to large scale mixed use properties which should see the population and economy continue to grow.

Highlights include the \$400 million Discovery Point development which will eventually include 1,500 apartments, commercial space and recreational facilities. The public infrastructure pipeline includes over \$40 million worth of upgrades to the St George hospital and \$32 million upgrades to the Hurstville private hospital as well as upgrades to connectivity including a new airport link road.

The St George rental market has recorded reasonable growth over the past 12 months. At the close of the March 2014 rental period, median rents had registered average weekly return of \$500 per week which represents an increase of 4.6 per cent over the previous year. Currently average yield sits at 3.57 per cent. Over a long term period yield has been continually decreasing, it is believed this is due to investors identifying capital growth opportunities.

The strongest performer in the rental market were one bedroom dwellings which rose 5.6 per cent which was followed by two bedrooms which rose 4.7 per cent. The growth in rental income in smaller dwellings can be attributed to continual demand. Larger dwellings also reported reasonable growth however less demand has effected growth. Moving forward the one bedroom market should provide the best mix of yield and capital growth.

St George Rental Analysis

