



Sydney

Property Hotspots

1st Half 2017



SYDNEY HOTSPOTS

1ST HALF 2017



HOTSPOTS METHODOLOGY

This Sydney hotspot report analyses all suburbs within the Greater City of Sydney, providing valuable insights and highlights of the property market in 2017. This report focuses on suburbs within a 20km radius of the CBD, taking into consideration the following factors:

- Sales indicators - the number of sales transactions (suburbs with less than 20 sales are excluded in affordable hotspots and top performer selection) and median price growth between 2015 and 2016/17*.
- Rental indicators - median rental price, rental yield, and vacancy rates.
- Affordability - the average New South Wales home loan, which indicates the amount banks are comfortable with lending to home buyers. To determine the maximum property price, 85% is added to the average New South Wales home loan, which was \$472,380** as at December 2016, having increased by 4.6% from the previous quarter.
- Projects value - developments scheduled to commence in the 1st half of 2017, which include mixed use, infrastructure, industrial, and residential projects. This is key to maintaining growth as it indicates a potential increase in economic and commercial activity; as well as interconnectivity to key transport routes, the CBD, and other major urban business hubs.

RECENT TOP PERFORMERS

Area	Suburb	Type	Median Price 2015	Median Price 2016/17**	Price Growth	Projects 2017***
Inner	Darlinghurst	House	\$1,595,000	\$1,945,000	21.9%	\$103.1M
	Elizabeth Bay	Unit	\$770,000	\$880,000	14.3%	\$2.0M
North	Killara	House	\$2,225,000	\$2,637,500	18.5%	\$7.2M
	Cremorne	Unit	\$892,500	\$1,050,500	17.7%	\$36.0M
South	Kensington	House	\$2,020,000	\$2,520,000	24.8%	\$28.1M
	Hillsdale	Unit	\$570,000	\$655,000	14.9%	\$1.1M
East	Clovelly	House	\$2,275,000	\$3,150,000	38.5%	\$5.5M
	Coogee	Unit	\$873,000	\$1,017,500	16.6%	\$25.9M
West	Petersham	House	\$1,320,000	\$1,580,000	19.7%	\$235.6M
	Greenacre	Unit	\$550,000	\$632,000	14.9%	\$62.9M

SYDNEY OVERVIEW

The Sydney Metro area median house price has experienced a softening of -4.0% over the past 15 months, indicating that house prices could be close to pivoting in the metro area over 2017. The unit market however has experienced solid growth within the same time frame, with a median sale price increase to 7.1%. In the 1st half of 2017, \$11.6B** in developments are planned to commence within the Sydney metro area. Mixed use developments account for approx. \$5.0B, followed by commercial (\$3.4B), residential (\$2.2B), infrastructure (\$894.6M), and industrial (\$95.5M).

*Median price quoted captures sale transactions from 1st January 2016 to 31st March 2017.

**Average home loan figure is derived from December quarter 2016 Housing Affordability Report by Real Estate Institute of Australia and Adelaide Bank.

***Project development spending is based on aggregate of estimated construction value for residential, commercial, industrial, mixed use and infrastructure projects scheduled to commence construction in the 1st half of 2017.

*Key market indicators for sales and median prices are reflective of median price change over 15 months between 2015 and 2016/Q1 2017. Median rent is reflective of median price change between Q4 2015 and Q4 2016.



KEY MARKET INDICATORS SYDNEY METRO

Indicator	Market Variation [^]
House Sales	↑
House Median Price	↓
House Median Rent	↑
Unit Sales	↑
Unit Median Price	↑
Unit Median Rent	↑

"The Sydney Metro house market has seen a slight softening in 2016/17, potentially pivoting to a more sustainable level of growth. Amidst affordability concerns the middle to outer ring provide relief, with specific affordable hubs emerging in the south-west region. Plans to increase stock should answer high demand"

Tony Brasier

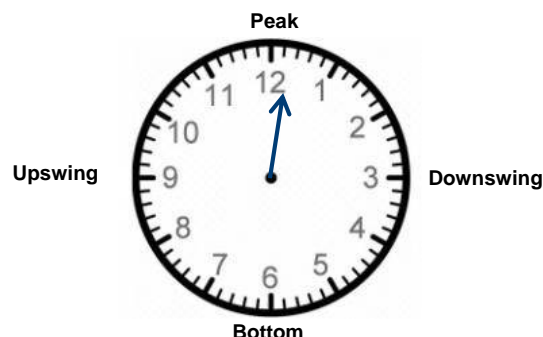
PRDnationwide Chairman & Managing Director



SYDNEY HOUSE HOTSPOTS

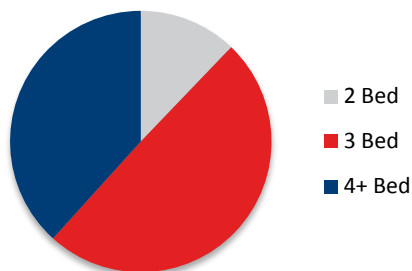


PROPERTY CLOCK – HOUSE



AFFORDABLE HOUSE HOTSPOTS

YAGOONA 2199



OVERVIEW

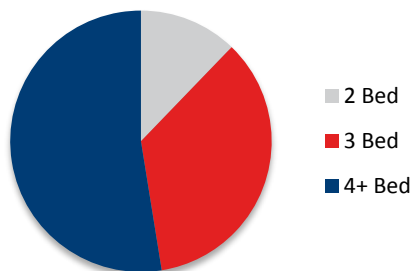
Approx. radius from CBD **17km**

House median price **\$829,000**

- 2 Bed Median Price **\$791,000**
- 3 Bed Median Price **\$810,000**
- 4+ Bed Median Price **\$870,000**

Located south-west of Sydney, Yagoona is in close proximity to two other identified hotspots, Greenacre and Wiley Park. Yagoona has been experiencing positive house median price growth over the last year. A decreasing and very low vacancy rate of 1.3% also portrays this suburb to be in high rental demand, a great indicator for smart investors. Yagoona offers accessibility to Bankstown, Parramatta and Sydney CBD, good news for commuters. Yagoona has approx. \$89.0M* of new project developments to begin construction in the 1st half of 2017.

GREENACRE 2190



OVERVIEW

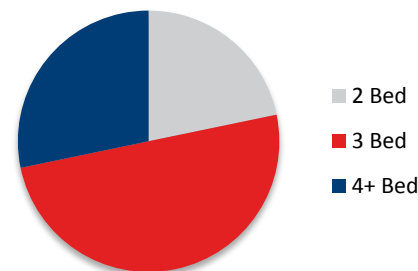
Approx. radius from CBD **15km**

House median price **\$888,000**

- 2 Bed Median Price **\$860,500**
- 3 Bed Median Price **\$862,000**
- 4+ Bed Median Price **\$920,000**

Greenacre is a reoccurring hotspot for both houses and units, located south-west of Sydney. With positive price growth, the amount of houses being sold have been steadily increasing as new stock hits the market. A low vacancy rate of 1.2% also highlights its healthy rental demand market. Approx. \$63.0M* of projects are due for construction in the 1st half of 2017 including a mix of residencies, commercial spaces and a new school. With a healthy demand and new developments, Greenacre can expect sustainable economic growth.

WILEY PARK 2195



OVERVIEW

Approx. radius from CBD **15km**

House median price **\$858,500**

- 2 Bed Median Price **\$967,500**
- 3 Bed Median Price **\$850,000**
- 4+ Bed Median Price **\$895,000**

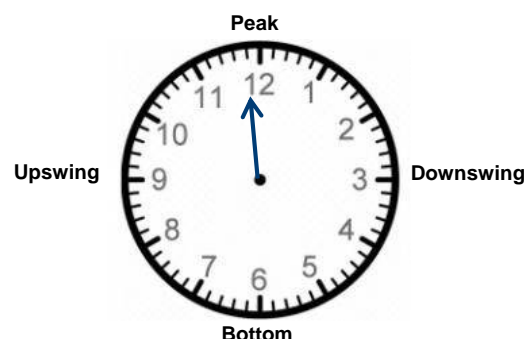
Wiley Park is located near the Bankstown CBD with easy access to the Sydney CBD by public transport. A solid 6.2% increase in median house prices have been recorded over the last year. The area also boasts a low vacancy rate of 1.5%. Wiley Park can expect an estimated \$67.0M* of projects to commence in the 1st half of 2017, focusing on adding new stock to the market. Wiley Park can anticipate economic benefits from projects located within surrounding suburbs, including commercial, infrastructure, and mixed use projects.

*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.

SYDNEY UNIT HOTSPOTS

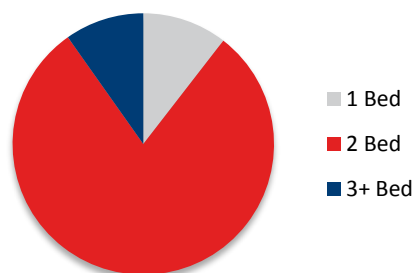


PROPERTY CLOCK – UNIT



AFFORDABLE UNIT HOTSPOTS

BELMORE 2192



OVERVIEW

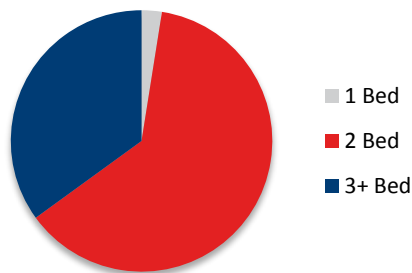
Approx. radius from CBD **13km**

Unit median price **\$508,500**

- 1 Bed Median Price **\$493,000**
- 2 Bed Median Price **\$508,250**
- 3+ Bed Median Price **\$655,000**

Belmore is an affordable suburb south-west of the Sydney CBD with easy rail access. Over the past year it experienced 10.5% median unit price growth. Belmore also offers attractive investment opportunities with a low 1.9% vacancy rate and 4.0% rental yield. Low average days on market also suggests a healthy demand in the rental market. In the 1st half of 2017 \$29.1M** of projects are due for construction focusing on additional residential stock. Belmore will also enjoy further economic growth as a result of neighbouring suburb developments.

BERALA 2141



OVERVIEW

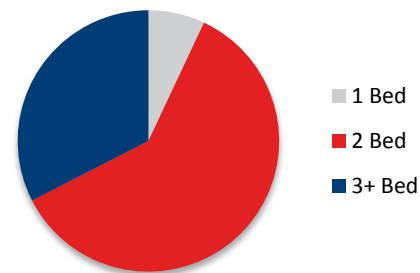
Approx. radius from CBD **16km**

Unit median price **\$505,500**

- 1 Bed Median Price **\$370,000***
- 2 Bed Median Price **\$455,000**
- 3+ Bed Median Price **\$664,500**

Berala is a reoccurring affordable suburb in Sydney's west within close proximity to the University of Sydney. In the last year, Berala experienced a solid 12.3% growth in median unit price. Berala offers an attractive investment opportunity with low vacancy rates of 1.3%, sound rental yields of 3.9% and very tight average days of market. Approx. \$2.6M** of new projects are due to begin in the 1st half of 2017. Berala will enjoy economic growth spill-over from neighbouring suburb developments; such as Lidcombe, Regents Park, and Auburn.

CAMPSIE 2194



OVERVIEW

Approx. radius from CBD **11km**

Unit median price **\$600,000**

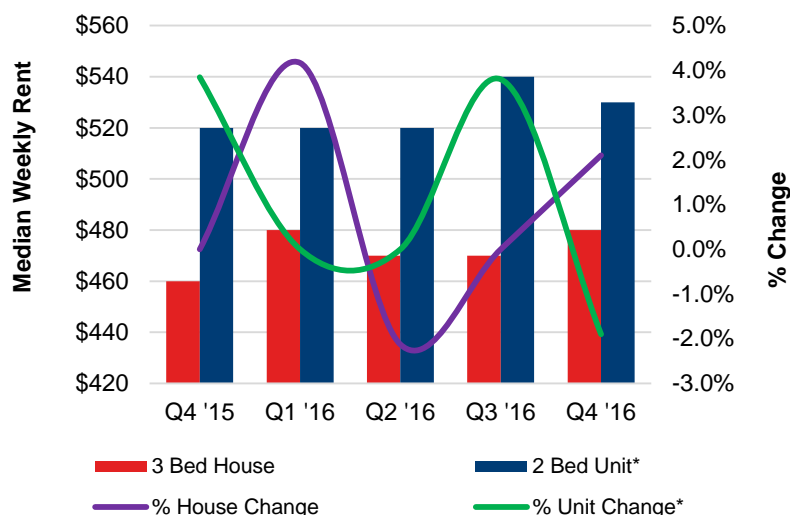
- 1 Bed Median Price **\$518,500**
- 2 Bed Median Price **\$580,000**
- 3+ Bed Median Price **\$705,000**

Campsie is an affordable suburb that neighbours other house and unit hotspots within the Canterbury-Bankstown Council area. Campsie is equipped with rail access to surrounding CBD areas, including Sydney's CBD. With a solid 6.1% annual increase in median unit sale price, low vacancy rates of 1.8%, and sound rental yields of 4.1%, Campsie offers itself to be attractive for both home occupiers and investors. Approx. \$42.5M** of new projects will commence in the 1st half of 2017, focusing on increasing residential stock.

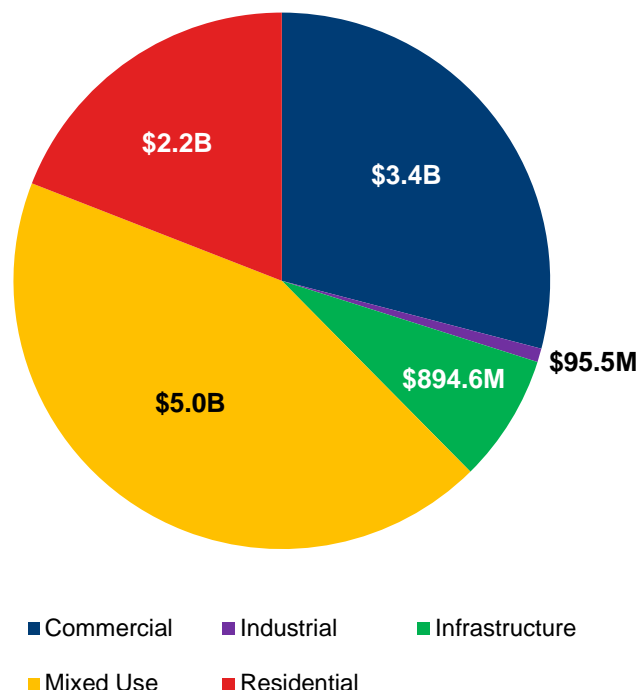
*Median price quoted for suburbs with less than 20 sales transactions is indicative only.

**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..

RENTAL MARKET ANALYSIS

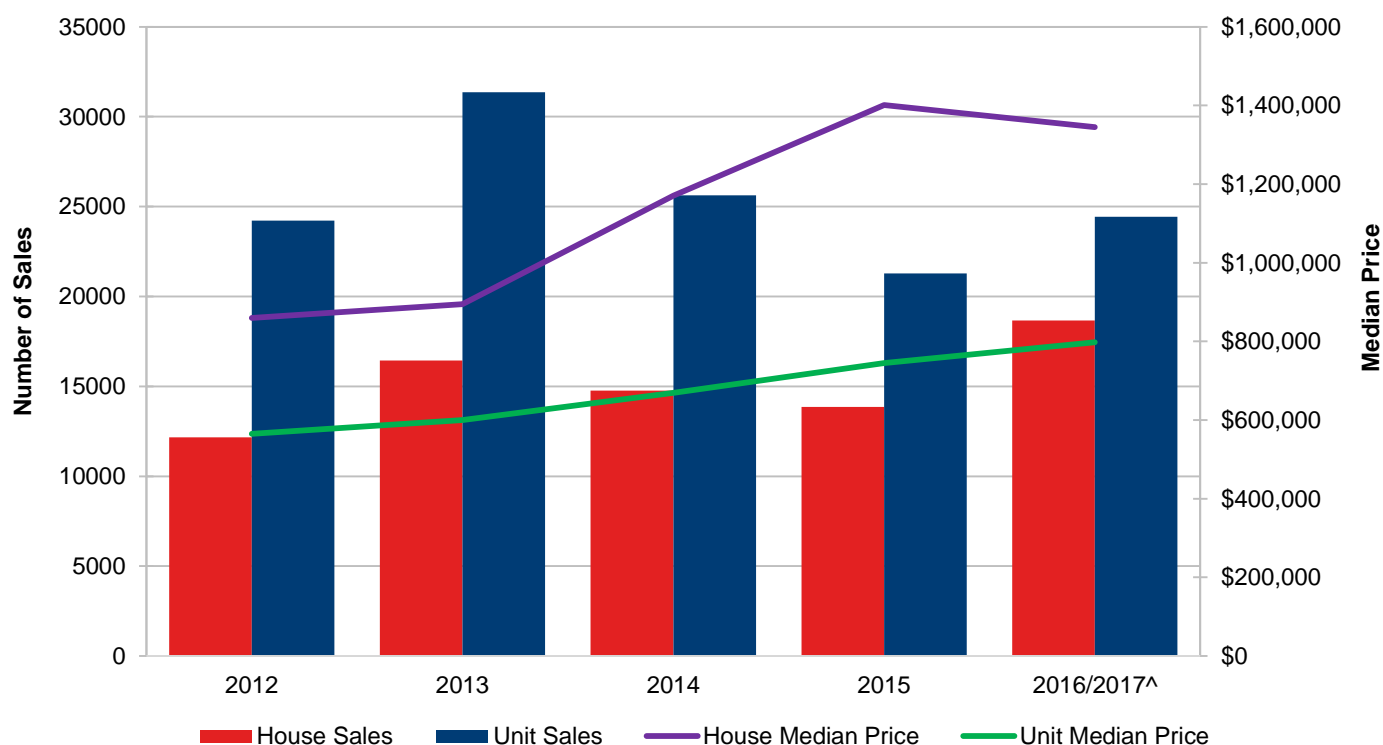


1ST HALF 2017 PROJECTS**



The rental market for 2 bed units* in Sydney recorded positive growth of 1.9% over the last 12 months to December 2016. This comes in trend with median sale prices for units which has also seen positive growth. Meanwhile, 3 bed house rents have seen a solid 4.3% increase in rental growth which has held relatively steady throughout 2016.

SYDNEY METRO SALES AND MEDIAN PRICE GROWTH

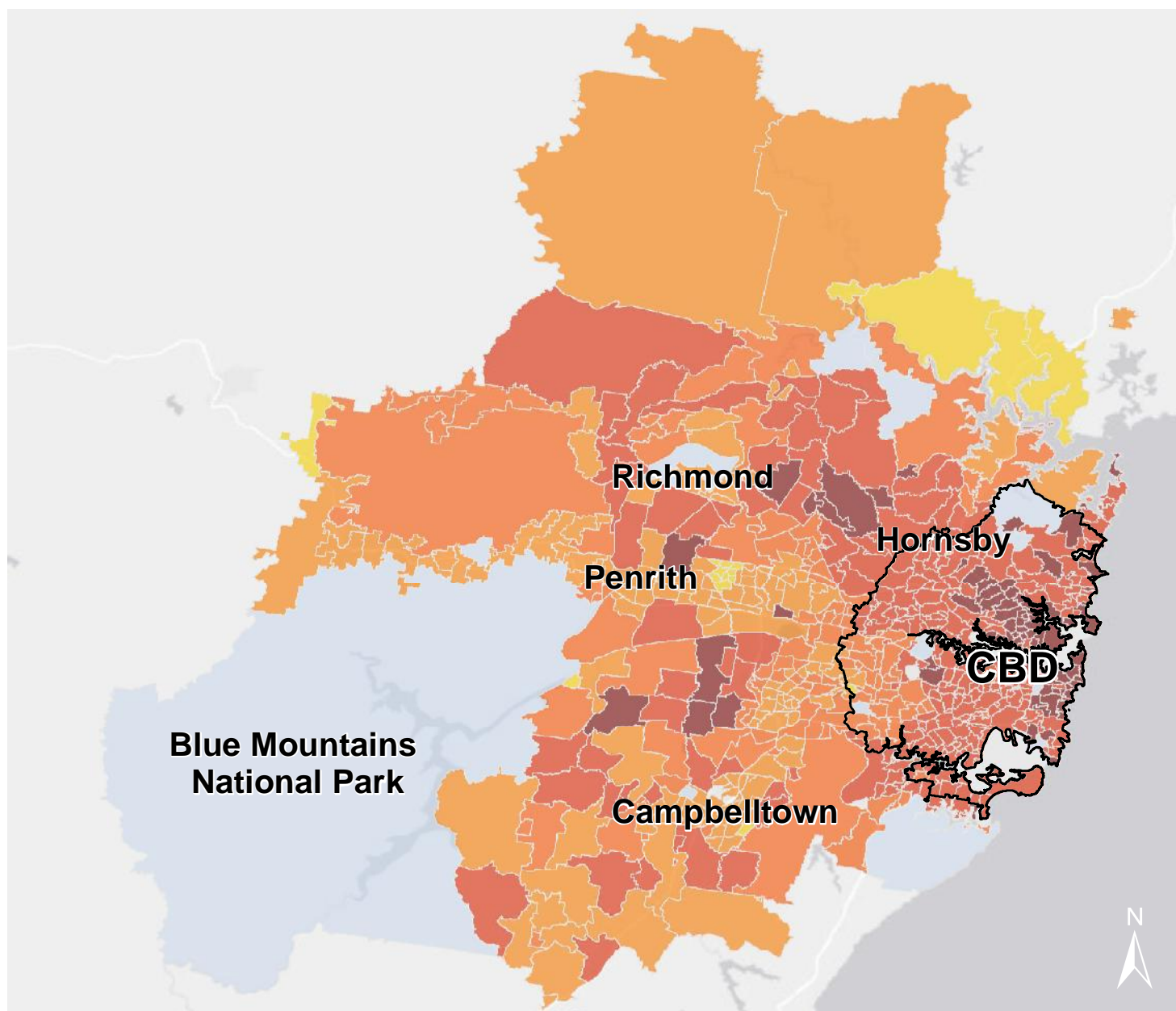


*Data is based on '2 Bedroom Other Dwellings' figures as per REIA's Real Estate Market Facts December quarter 2016 report and are assumed to be predominantly units.

**Quoted project development spending reflects aggregate of estimated values for projects commencing in 1st half 2017. Quoted estimated value of projects is based on reported land construction value as stated by the relevant data authority and does not signify its commercial/resale value.

^Median price for 2016/2017 captures sale transactions from 1st January 2016 to 31st March 2017.

GREATER SYDNEY HOUSE MEDIAN PRICE 2016/17*



LEGEND

	DATA NOT AVAILABLE
	\$1 - \$500,000
	\$500,000 - \$800,000
	\$800,000 - \$1,000,000
	\$1,000,000 - \$2,000,000
	\$2,000,000+
	20 KM from CBD

Top 3 Lowest Priced Suburbs**	Median Price 2016/17**	Project Development***	Median Rent 2016/17**	Rental Yield
Lethbridge Park	\$454,000	-	\$340	4.00%
Tregear	\$456,000	-	\$340	3.9%
Warragamba	\$462,500	\$1.0M	\$420	4.7%
Top 3 Highest Priced Suburbs**	Median Price 2016/17**	Project Development***	Median Rent 2016/17**	Rental Yield
Point Piper	\$11,850,000	\$18.6M	\$2,600	1.1%
Darling Point	\$6,200,000	\$685.0K	\$2,800	2.4%
Bellevue Hill	\$4,390,000	\$20.6M	\$2,850	3.4%

*Median house price reflected in the heat-map captures sale transactions from 1st January 2016 to 31st March 2017.

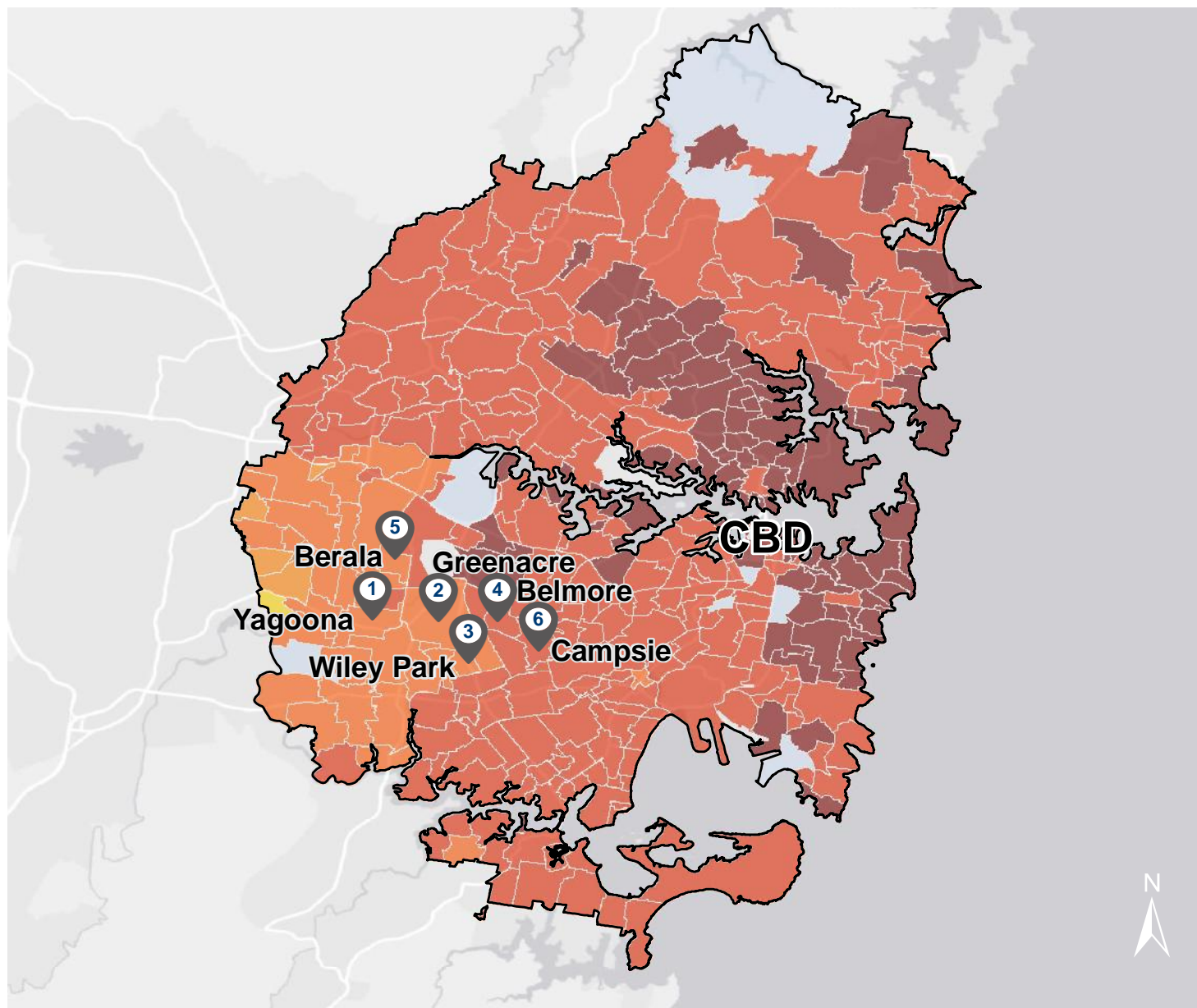
**Top 3 suburbs identified are located within 20 km from Melbourne CBD; suburb median price and median rent figures capture data from 1st January 2016 to 31st March 2017.

***Project development value is an aggregate of estimated construction value for residential, commercial, industrial, mixed use, and infrastructure projects commencing in 1st half 2017; and does not reflect commercial/re-sale value.

Source: APM Pricefinder, Real Estate Institute of NSW, Australian Bureau of Statistics, ESRI, Cordell Database, Sydney City Council.

SYDNEY HOUSE MEDIAN PRICE 2016/17*

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+

SYDNEY HOTSPOTS RENTAL YIELD

Suburb		House	Suburb		Unit
1	Yagoona	3.1%	4	Belmore	4.0%
2	Greenacre	3.2%	5	Berala	3.9%
3	Wiley Park	3.2%	6	Campsie	4.1%

*Median house price reflected in the heat-map captures sale transactions from 1st January 2016 to 31st March 2017.

Source: APM Pricer, Real Estate Institute of NSW, Australian Bureau of Statistics, ESRI, Cordell Database, Sydney City Council.

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