



Sydney

Property Hotspots

2nd Half 2017



SYDNEY HOTSPOTS

2ND HALF 2017



HOTSPOTS METHODOLOGY

This Sydney hotspot report analyses all suburbs within the Greater City of Sydney region, 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 2016 and 2017*.
- 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, 90% is added to the average New South Wales home loan, which was \$467,203** as at June 2017, which is an increase of 5.3% over the previous quarter.
- Projects value - developments scheduled to commence in the 2nd half of 2017, include infrastructure, mixed use, commercial, 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 2016	Median Price 2017**	Price Growth	Projects 2017***
Inner	Glebe	House	\$1,800,000	\$2,176,675	20.90%	\$109.40
	Glebe	Unit	\$738,000	\$1,055,000	43.00%	\$109.4M
North	Wahroonga	House	\$1,787,500	\$2,200,000	23.10%	\$117.4M
	Dee Why	Unit	\$725,000	\$820,000	13.10%	\$133.3M
South	Rockdale	House	\$1,102,500	\$1,400,000	27.00%	\$46.1M
	Little Bay	Unit	\$1,002,500	\$1,177,500	17.50%	\$97.9M
East	Redfern	House	\$1,401,500	\$1,920,000	37.00%	\$16.7M
	Double Bay	Unit	\$1,521,000	\$2,050,000	34.80%	\$11.9M
West	Burwood	House	\$2,000,000	\$2,650,000	32.50%	\$73.9M
	Sydney Olympic Park	Unit	\$690,000	\$632,000	14.90%	\$324.3M

SYDNEY OVERVIEW

The median house price in the Sydney metro has experienced a slower growth of 0.8% over the past 12 months, suggesting a return to a more sustainable level of price growth. Furthermore, the unit market has softened by -2.5% within the same time frame. This indicates that both house and unit prices in the metro market are beginning to pivot. In the 2nd half of 2017, approx. \$10.7B** of projects are planned to commence within the Sydney metro area. Mixed use projects in lesser known areas is the main focus, to create further stock whilst promoting gentrification and local job growth.

*Median price quoted captures sale transactions from 1st January 2017 to 30th September 2017, or end of Q3 2017.

**Average home loan figure is derived from June quarter 2017 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 2nd half of 2017.

*Key market indicators for sales and median prices are reflective of median price change between 2016 and 2017, with 2017 data being up to end of Q3 2017. Median rent is reflective of median price change between Q2 2016 and Q2 2017.



KEY MARKET INDICATORS[^] SYDNEY METRO

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

“Whilst still performing above other capital cities, Sydney is increasingly pivoting towards a more sustainable level of growth; good news for affordability. More affordable options can be found in the south and west. Mixed-use projects are hugely popular.”

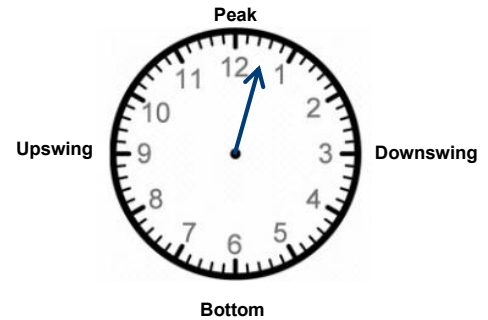
Tony Brasier
PRDnationwide Chairman & Managing Director



SYDNEY HOUSE HOTSPOTS

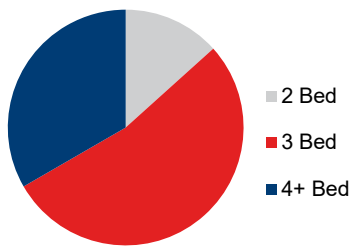


PROPERTY CLOCK – HOUSE



AFFORDABLE HOUSE HOTSPOTS

GRANVILLE 2142



OVERVIEW

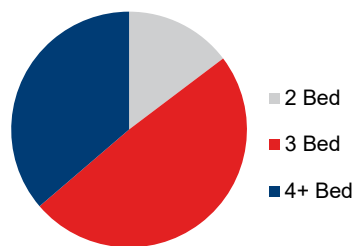
Approx. distance from CBD **19km***

Median house price **\$836,000**

- 2 Bed median price **\$605,000**
- 3 Bed median price **\$795,000**
- 4+ Bed median price **\$900,000**

Granville is located west of Sydney and directly south of the city of Parramatta. Granville offers great accessibility to the M4, University of Western Sydney, Granville train station and Sydney CBD. The perks of Parramatta lifestyle are on offer in Granville, however at a much more affordable price. Granville has been experiencing positive median house price growth over the last 12 months. Low vacancy rate of 1.8% is attractive for the astute investors. Granville has approx. \$309.3M** of new project developments to begin construction in the 2nd half of 2017.

GUILDFORD 2161



OVERVIEW

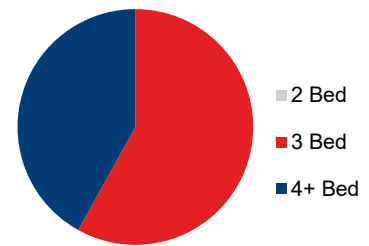
Approx. distance from CBD **20km***

Median house price **\$865,000**

- 2 Bed median price **\$875,000**
- 3 Bed median price **\$858,000**
- 4+ Bed median price **\$880,000**

Guildford is an affordable suburb which neighbours another house hotspot (Granville). In the last year, Guildford recorded 11.6% in median house price growth. Guildford offers an attractive investment opportunity with low vacancy rates of 1.6% and sound rental yields of 3.0%. Approx. \$42.4M** of new projects are due to commence in the 2nd half of 2017. Guildford will benefit from spill-over economic growth from neighbouring suburb developments, such as in Auburn, Merrylands and Granville. This makes Guildford an area to watch in the near future.

MILPERRA 2214



OVERVIEW

Approx. distance from CBD **20km***

Median house price **\$885,750**

- 2 Bed median price **\$N/A**
- 3 Bed median price **\$880,000**
- 4+ Bed median price **\$925,000**

Milperra is located on the Georges River and is nearby the Bankstown CBD, with good easy access to the Sydney CBD by public transport. Locals enjoy and benefit from the nearby western Sydney University and 2 golf courses. Milperra has been experiencing positive median house price growth over the last year. The area also boasts ideal investment conditions with a low vacancy rate of 1.5% and sound rental yield of 3.3%. The area is anticipating approx. \$19.9M** of new developments to commence in the 2nd half of 2017.

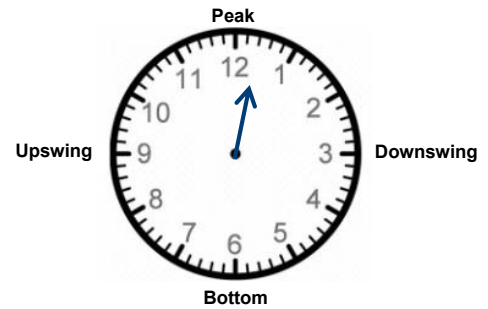
*Suburbs distance is measured from the approximate radius of the Sydney CBD, as per ESRI GIS measurements.

**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

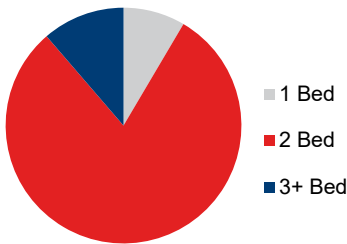


PROPERTY CLOCK – UNIT



AFFORDABLE UNIT HOTSPOTS

KOGARAH 2217



OVERVIEW

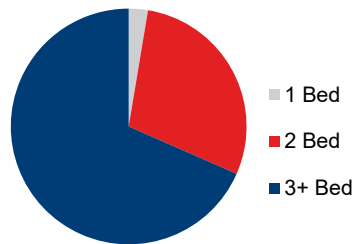
Approx. distance from CBD **13km***

Median unit price **\$677,500**

- 1 Bed median price **\$565,000**
- 2 Bed median price **\$677,500**
- 3+ Bed median price **\$950,000**

Kogarah is an affordable suburb for units south of the Sydney CBD, with convenient access to rail transport and the beautiful Kogarah bay. Kogarah has experienced a strong median price growth of 13.7% over the past year. Kogarah also offers attractive investment opportunities with a low 1.7% vacancy rate and rewarding rental yields of 4.0%. Future sustainable economic growth is expected in Kogarah, due to the level of planned mixed use and commercial developments. Approx. \$113.2M** is due to commence in the 2nd half of 2017.

GREENACRE 2190



OVERVIEW

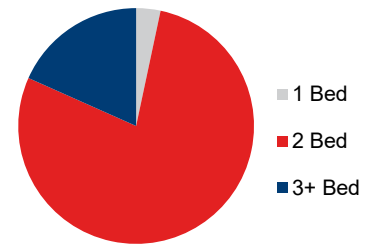
Approx. distance from CBD **15km***

Median unit price **\$685,000**

- 1 Bed median price **\$317,500**
- 2 Bed median price **\$579,000**
- 3+ Bed median price **\$690,000**

Greenacre is a reoccurring hotspot located in the peaceful south-west area of Sydney. Residents are well serviced from convenient access to schools, public transport and retail. Greenacre experienced a strong 11.4% in unit median price growth over the past 12 months. A low vacancy rate of 1.8% and solid rental yield of 3.7% highlights a healthy and prosperous opportunity for investment. Approx. \$77.3M** of projects are expected to commence in the 2nd half of 2017, which will include many commercial projects and mixed-use developments.

PUNCHBOWL 2196



OVERVIEW

Approx. distance from CBD **16km***

Median unit price **\$506,750**

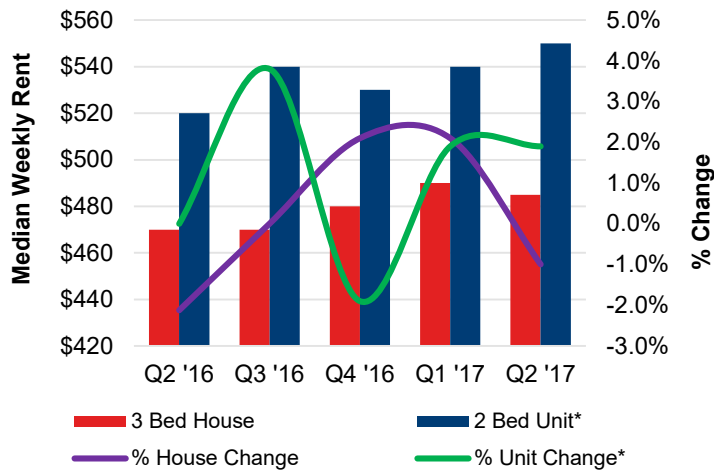
- 1 Bed median price **\$391,000**
- 2 Bed median price **\$470,000**
- 3+ Bed median price **\$670,000**

Punchbowl is an affordable suburb that neighbours another unit hotspot (Greenacre). The area offers great accessibility to the M5, train station, shopping centres, and to Sydney CBD. With a solid 14.5% annual increase in unit median sale price since 2016, low vacancy rates of 1.9%, and growing rental yields of 4.3%, Punchbowl offers itself to be an attractive option for both first home buyers and investors. Approx. \$18.9M** of new developments will commence in the 2nd half of 2017, concentrating on increasing stock to answer current demand.

*Suburbs distance is measured from the approximate radius of the Sydney CBD, as per ESRI GIS measurements.

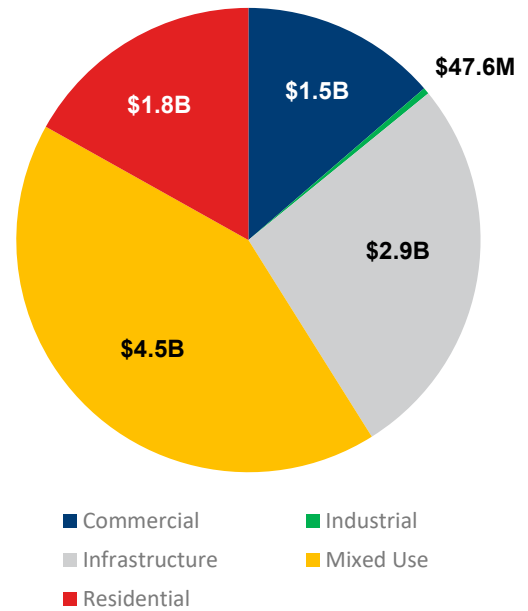
**Quoted estimated values of projects are based on reported land construction values as stated by the relevant data authority and do not signify their commercial/resale value.

RENTAL MARKET ANALYSIS

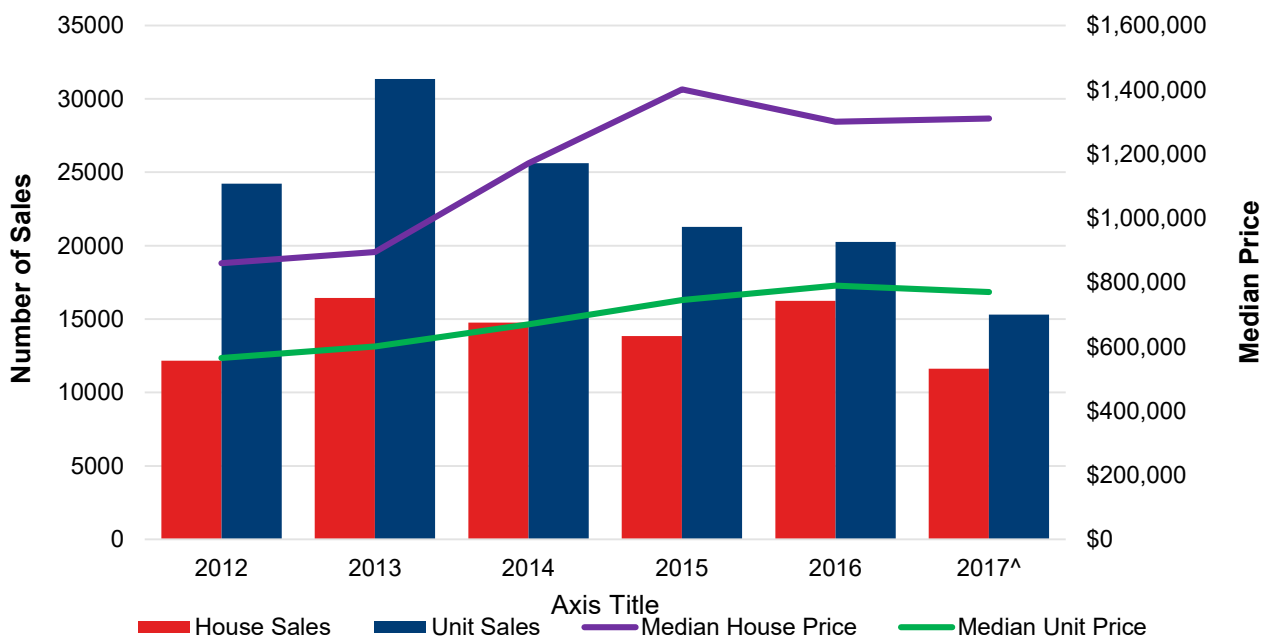


The rental market for 3 bed House in Sydney recorded positive growth of 3.2% over the past 12 month period to June 2016. Meanwhile, 2 bed unit have seen a solid 5.8% increase in rental growth. Although Sydney's vacancy rates have seen an increasing trend, at 2.1% in September 2017, these rental yields suggest investors will still benefit in the Sydney market.

2nd HALF 2017 PROJECTS**

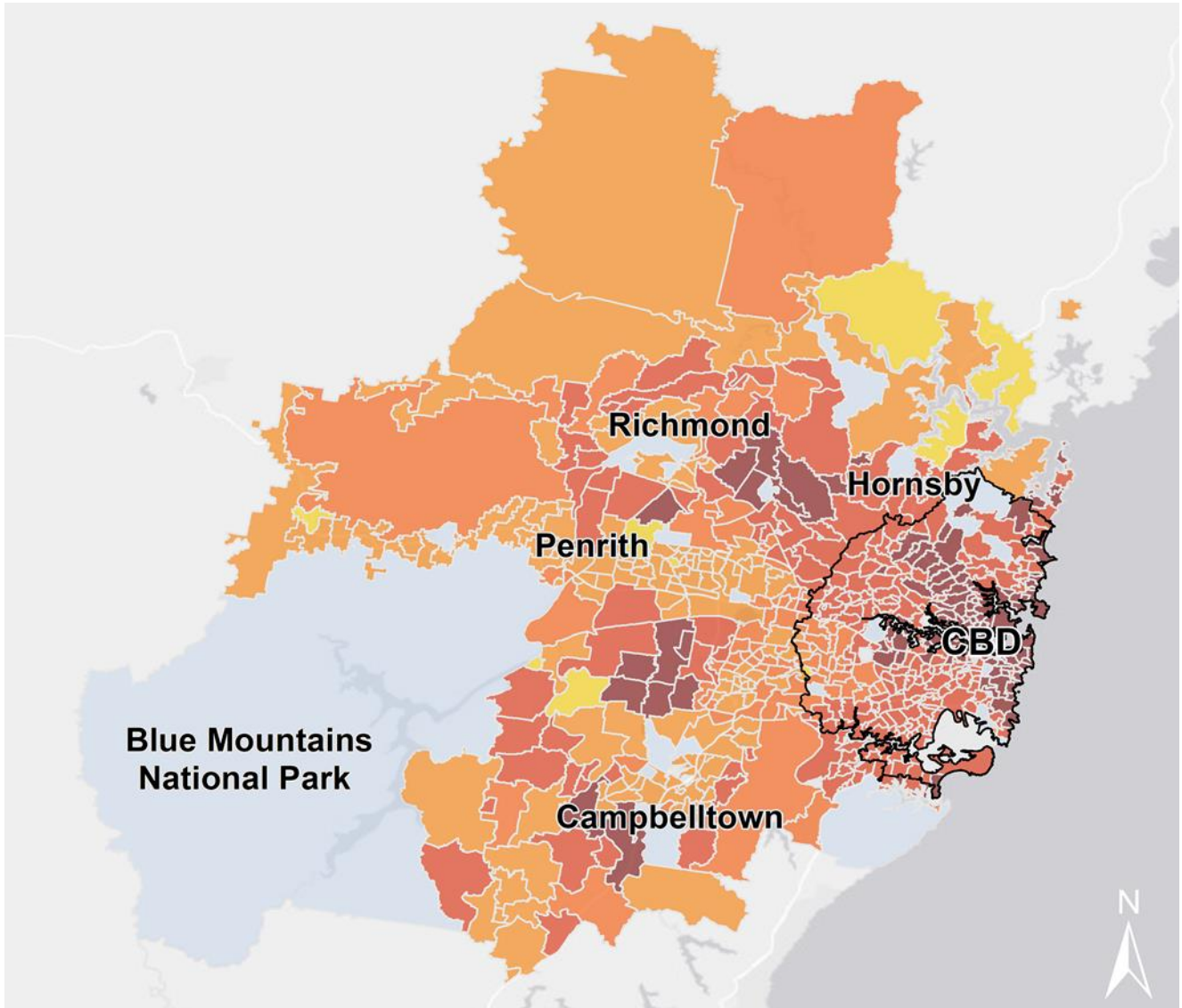


SYDNEY METRO SALES AND MEDIAN PRICE GROWTH



*Data is based on '2 Bedroom Other Dwellings' figures as per REIA's Real Estate Market Facts June quarter 2017 report and are assumed to be predominantly units.
 **Quoted project development spending reflects aggregate of estimated values for projects commencing in 2nd 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 2017 captures sale transactions from 1st January 2017 to 30th September 2017.

GREATER SYDNEY MEDIAN HOUSE PRICE 2017*



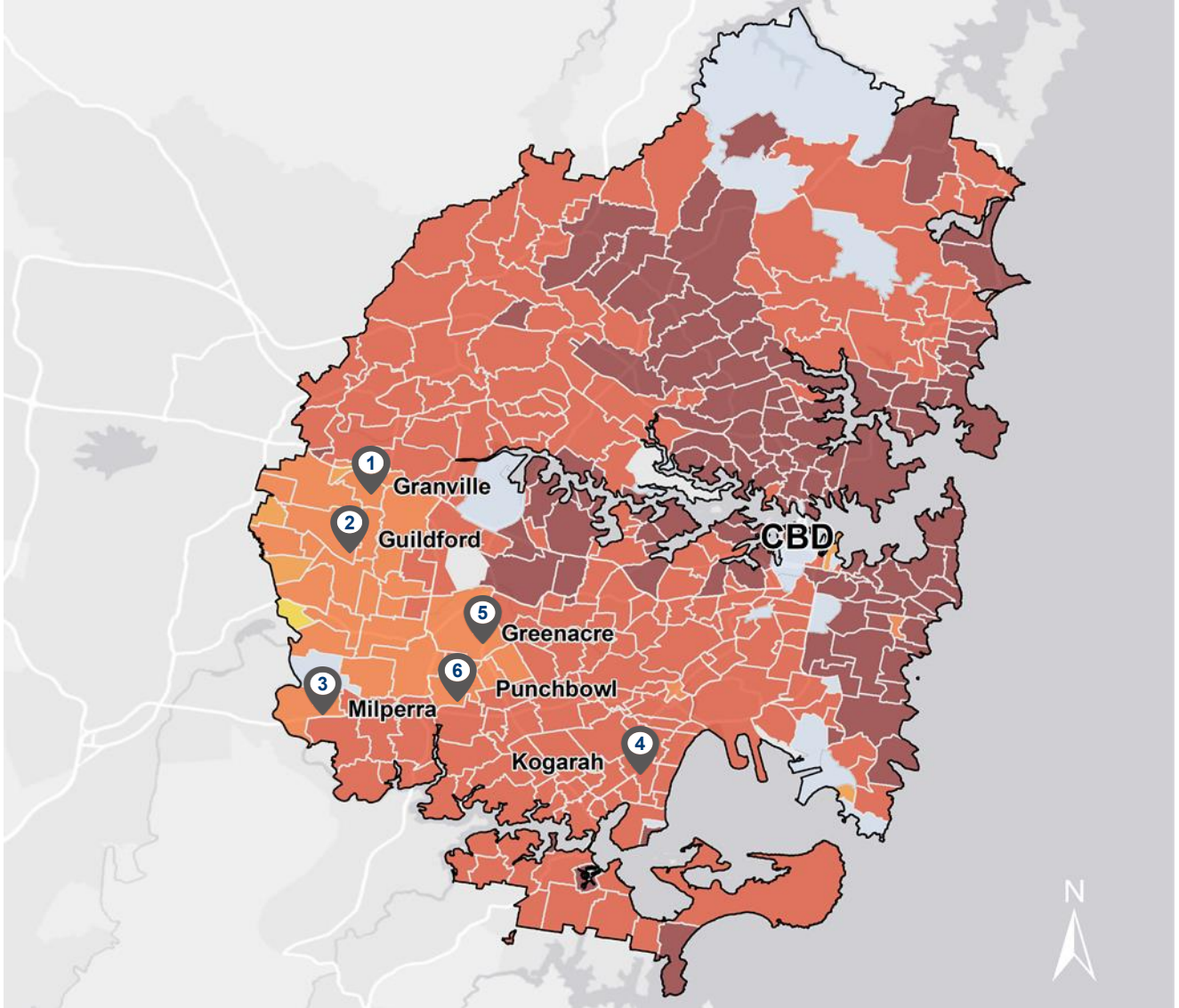
LEGEND	Top 3 Lowest Priced Suburbs**	Median Price 2017**	Project Development***	Median Rent 2017**	Rental Yield
DATA NOT AVAILABLE	Fairfield East	\$792,500	\$4,899,000	\$460	3.0%
\$0 - \$500,000	Guildford West	\$747,500	\$600,000	\$480	3.1%
\$500,000 - \$800,000	Villawood	\$820,000	-	\$470	3.1%
\$800,000 - \$1,000,000	Top 3 Highest Priced Suburbs**	Median Price 2017**	Project Development***	Median Rent 2017**	Rental Yield
\$1,000,000 - \$2,000,000	St Leonards	\$6,531,376	\$105,540,000	\$1,050	0.8%
\$2,000,000+	Bellevue Hill	\$5,450,000	\$9,168,000	\$1,775	1.7%
20 KM from CBD	Vaucluse	\$4,680,000	\$4,125,000	\$2,000	2.3%

*Median house price reflected in the heat-map captures sale transactions from 1st January to 30th September 2017.

**Top 3 suburbs identified are located within a 20km radius of Sydney CBD; suburb median price and median rent figures capture data from 1st January 2017 to 30th September 2017.

***Project development value is an aggregate of estimated construction value for residential, commercial, industrial, mixed use, and infrastructure projects commencing in 2nd half 2017; and does not reflect commercial/re-sale value.

SYDNEY MEDIAN HOUSE PRICE 2017* 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 AFFORDABLE HOTSPOTS RENTAL YIELD

	Suburb	House		Suburb	Unit
1	Granville	3.7%	4	Kogarah	4.0%
2	Guildford	3.0%	5	Greenacre	3.7%
3	Milperra	3.3%	6	Punchbowl	4.3%

*Median house price reflected in the heat-map captures sale transactions from 1st January 2017 to 30th September 2017.
Source: APM Pricefinder, Real Estate Institute of NSW, Australian Bureau of Statistics, ESRI, Cordell Database, Sydney City Council.

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