

Norwest
Property Factsheet
1st Half 2018





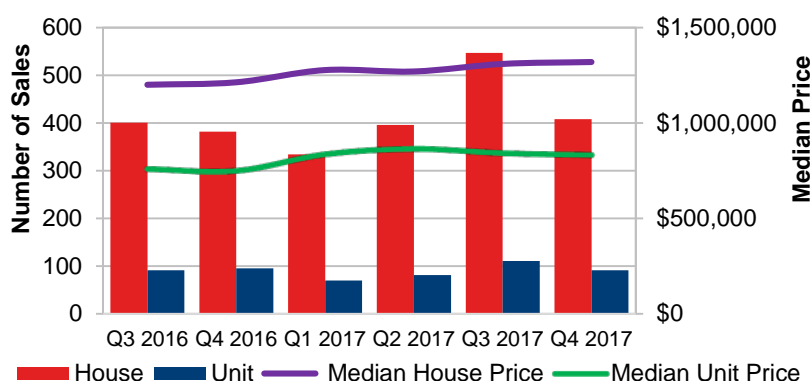
MARKET CONDITIONS

The Norwest* property market recorded a median house price of \$1,280,250 and \$850,000 for units in Q4 2017, which represents an annual price change of -1.5% and 6.4% respectively. Over the same period of time, house prices in The Hills Shire Local Government Area (LGA) grew by 8.8% to \$1,320,000 and unit prices grew by 11.3% to \$835,000. Compared to the LGA, houses can be secured at a more affordable price in the Norwest* property market, however units offer a more premium market. The partial softening in Norwest's* house property market is on par with Sydney's cooling in property prices, which when combined with the increase in residential stock will assist in creating a more sustainable property market in Norwest*.

Average vendor discounting for houses has tightened to -1.8% over the past 12 months to Q4 2017, suggesting sellers are achieving closer to their first asking price. Thus, despite the slight softening in median price growth, sellers are still benefitting from a high demand market. The unit market is showing signs of turning into a buyers' market, with average vendor discounting widening to -3.2% in Q4 2017. That said, this is balanced out with positive annual growth in median unit prices.

Median rent in Norwest* has remained relatively stable for both house and units over the past 12 months to Q4 2017, currently at \$623 per week (house) and \$550 per week (units). Investors are benefiting from rental yields of 2.7% (house) and 3.7% (units), similar to that of Sydney Metro.

THE HILLS SHIRE GROWTH



OVERVIEW

Norwest is a business park located approx. 28km from the Sydney CBD. The area is an employment node providing for a strong mix of industries including Commercial, Professional and Health Care Services. The area also attracts young families looking for an uncongested lifestyle with nearby quality services.

Change from Last	Year	Half Year
House Sales	↓	↓
House Median Price	↓	↓
House Rental Price	↓	↔
Unit Sales	↓	↓
Unit Median Price	↑	↓
Unit Rental Price	↑	↔

FUTURE DEVELOPMENTS**

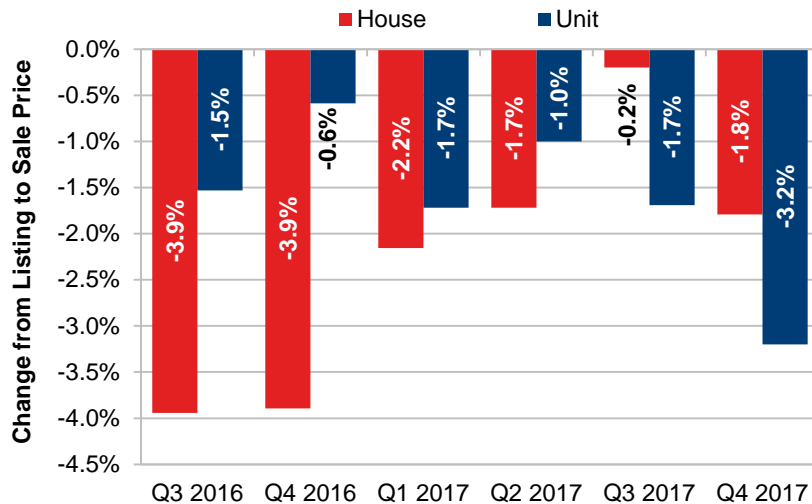
Norwest* is set to see approx. \$257.1M of new projects commencing in the 1st half of 2018. Mixed use accounted for the majority of development value (\$118.8M or 46.2%). This is followed by residential (\$104.9M or 40.8%), commercial (\$28.3M or 11.0%), and infrastructure (\$5.1M). Although there is a focus on adding property stock, commercial and infrastructure projects should provide a good balance for sustainable growth.

A significant project commencing in the 1st half of 2018 is the Norwest Lake – Esplanade. This involves the construction of 247 units, 3 storeys of commercial space and 1 floor of retail space. The project has an estimated value of \$105.8M, due to commence in May 2018.

Another important project is the Century Estate, which will provide 11,000 sqm of A-grade office space while promoting sustainable design with a 4.5 star NABERS energy rating. The development has an approx. value of \$25.0M and is scheduled to commence in April 2018.

*Norwest market data and key indicators encapsulates aggregate property market conditions in the following suburbs: Castle Hill, Baulkham Hills & Rouse Hill.
**Estimated values are based on construction value provided by the relevant data authority and does not reflect commercial and/or re-sale value. Quoted construction and completion dates are estimate only, as per relevant data authority.
Source: APM Pricerfinder, realestate.com.au. © Copyright PRDNationwide 2018.

AVERAGE VENDOR DISCOUNT



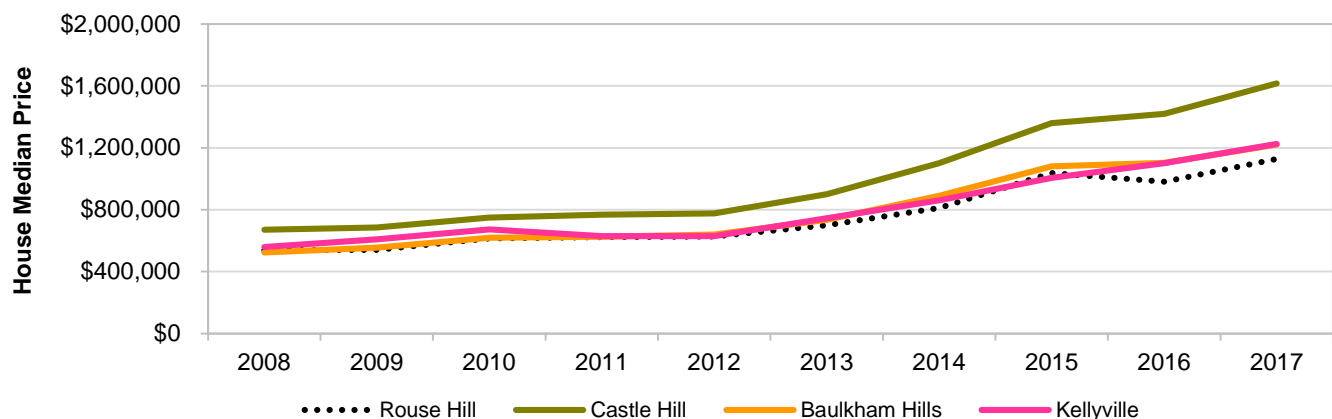
AVERAGE VENDOR DISCOUNT

Average vendor discount reflects the average percentage difference between first list price and final sold price. A lower percentage difference (closer to zero) suggests buyers are willing to purchase close to the first asking price of a property.

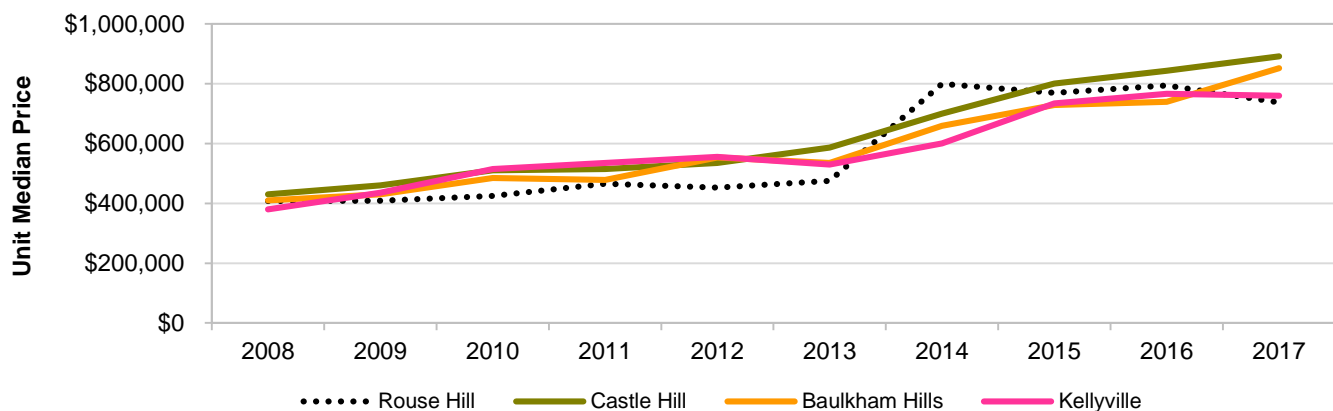
MARKET COMPARISON GRAPH

The market comparison graph provides comparative trend for median price of house and units over the past 10 years. Suburbs profiled are chosen based on proximity to the main suburb analysed in the factsheet, which is Norwest. The main suburb is highlighted through a dotted black line graph.

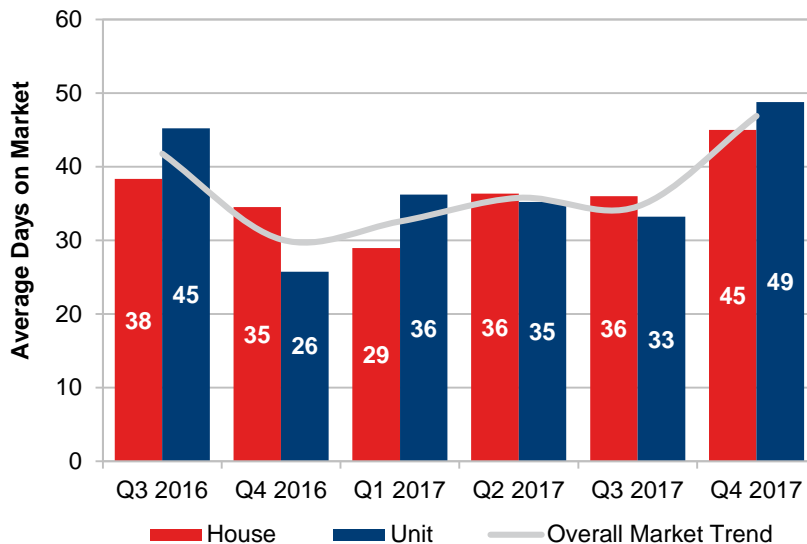
HOUSE MARKET COMPARISON



UNIT MARKET COMPARISON



AVERAGE DAYS ON MARKET**



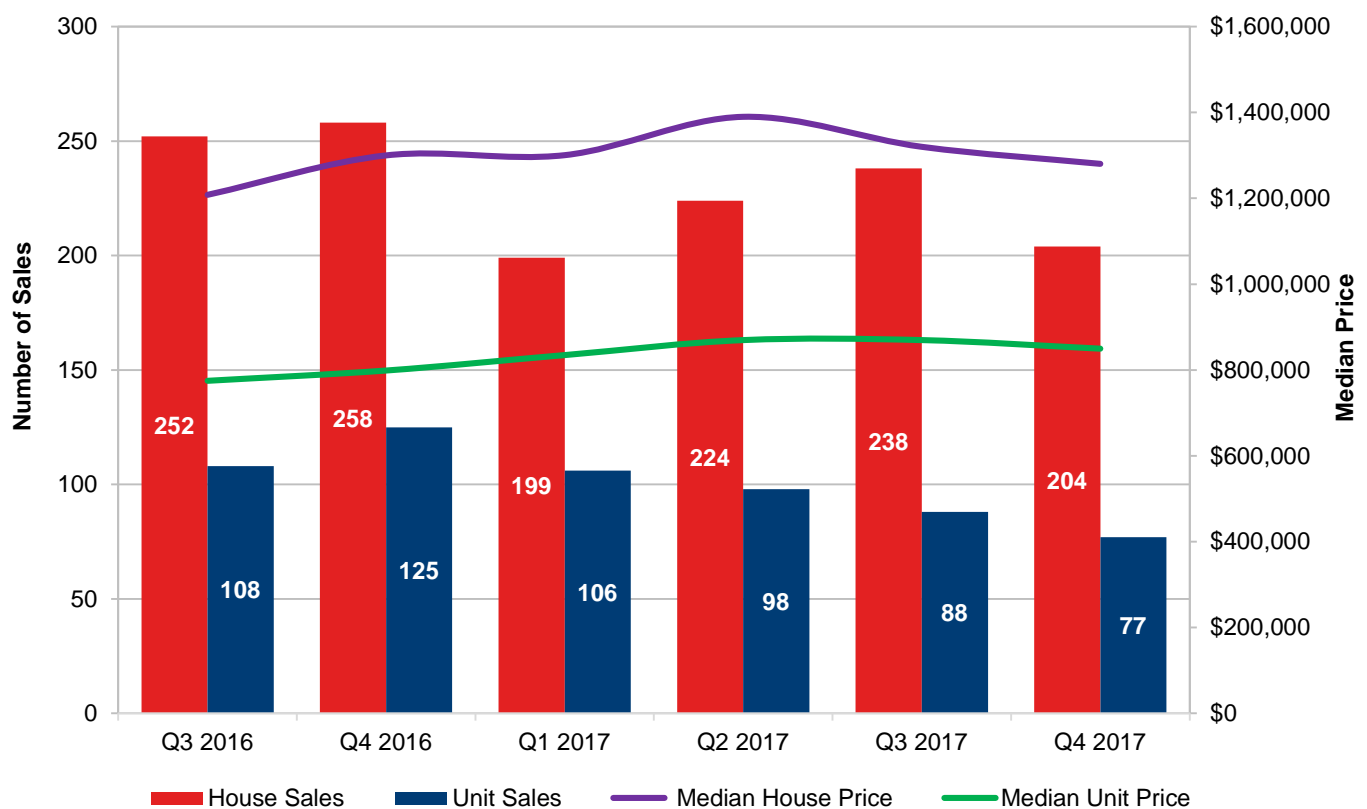
HOUSE KEY FACTS Q4 2017

Median Sale Price: \$1,280,250
Annual Growth: -1.5%*
Average Days on Market: 45
% Change between First Listed Price and Sold Price: -1.8%

UNITS KEY FACTS Q4 2017

Median Sale Price: \$850,000
Annual Growth: 6.4%*
Average Days on Market: 49
% Change between First Listed Price and Sold Price: -3.2%

SALES AND MEDIAN PRICE**



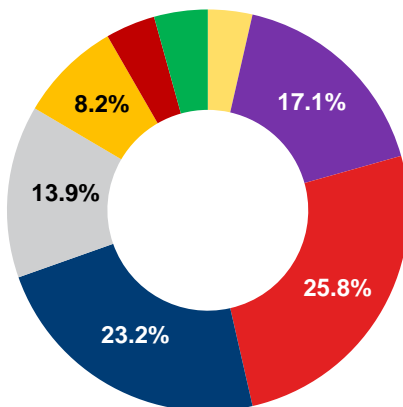
*Annual growth represents price growth for property transactions between Q4 2016 to Q4 2017 (inclusive).

**Norwest market data and key indicators encapsulates aggregate property market conditions in the following suburbs Castle Hill, Baulkham Hills & Rouse Hill.

Source: APM Pricefinder, realestate.com.au, SQM Research. © Copyright PRDnationwide 2018.

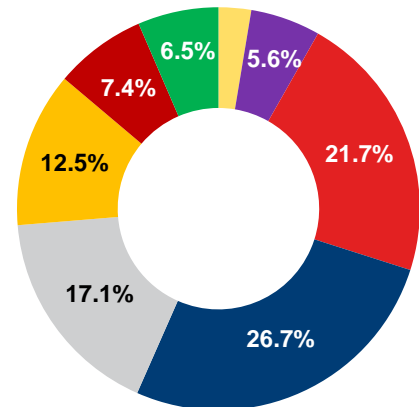
SALES PRICE POINT ANALYSIS

HOUSE PRICE POINT 2016

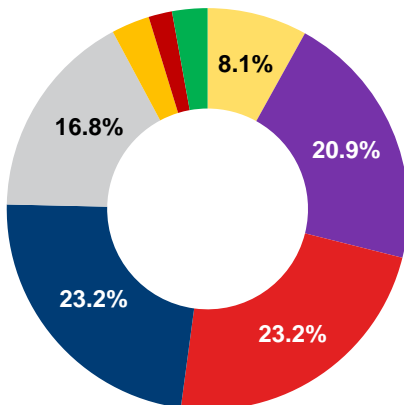


- Less Than \$799,999
- \$800,000 to \$999,999
- \$1,000,000 to \$1,199,999
- \$1,200,000 to \$1,399,999
- \$1,400,000 to \$1,599,999
- \$1,600,000 to \$1,799,999
- \$1,800,000 to \$1,999,999
- \$2,000,000 plus

HOUSE PRICE POINT 2017

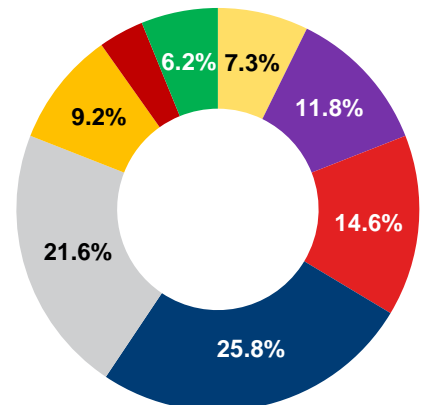


UNIT PRICE POINT 2016



- Less Than \$599,999
- \$600,000 to \$699,999
- \$700,000 to \$799,999
- \$800,000 to \$899,999
- \$900,000 to \$999,999
- \$1,000,000 to \$1,099,999
- \$1,100,000 to \$1,199,999
- \$1,200,000 plus

UNIT PRICE POINT 2017



KEY IMPLICATIONS - HOUSE

The proportion of houses being sold in Norwest* in 2017 is primarily in the \$1.2M – \$1.4M price segment (26.7%). A significant decrease in the \$800K-\$1.0M price range has occurred between 2016 and 2017, from 17.1% to 5.6% of sales. These figures have more than halved, indicating a significant shift in affordability measures.

During 2017 house sales in price brackets higher than \$1.2M have increased, in particular between \$1.6M and \$1.8M price range (from 8.2% to 12.6%). This suggests that despite a slight softening in annual median price growth (of -1.5% to Q4 2017) the Norwest* market is in fact shifting towards a more premium market.

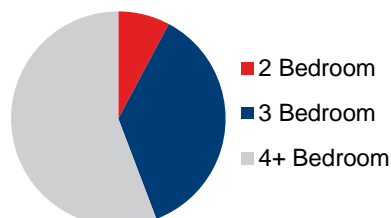
KEY IMPLICATIONS - UNIT

The proportion of units being sold in Norwest* in 2017 is mostly within the \$800-\$900K price segment (25.8%). Norwest experienced a significant drop in the number of sales in the \$600K-\$700K and \$700K-\$800K price bracket, recording 11.8% and 14.6% respectively. This signals a major shift in the affordability of unit prices in Norwest*, when compared to the same period in 2016.

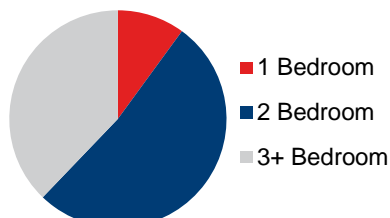
All price segments of unit sales above \$800K experienced partial increases during the 2017. This suggests that there is a higher quality of stock entering the Norwest unit market, which will provide attractive opportunities for investors and occupiers.

INVESTMENT ANALYSIS

HOUSE



UNIT



KEY COMMENTS

Interest in Norwest* has been recorded an average of 668 online visits per property. Rental demand has increased significantly over the past 12 months to Q4 2017 for houses, whilst it remained competitive for units. Strong rental yields have been recorded in Norwest, currently at 2.7% (houses) and 3.7% (units) – which is almost on par to Sydney's returns of 2.9% and 3.8%. This provides investors with a more affordable alternative investment location outside of Sydney Metro.

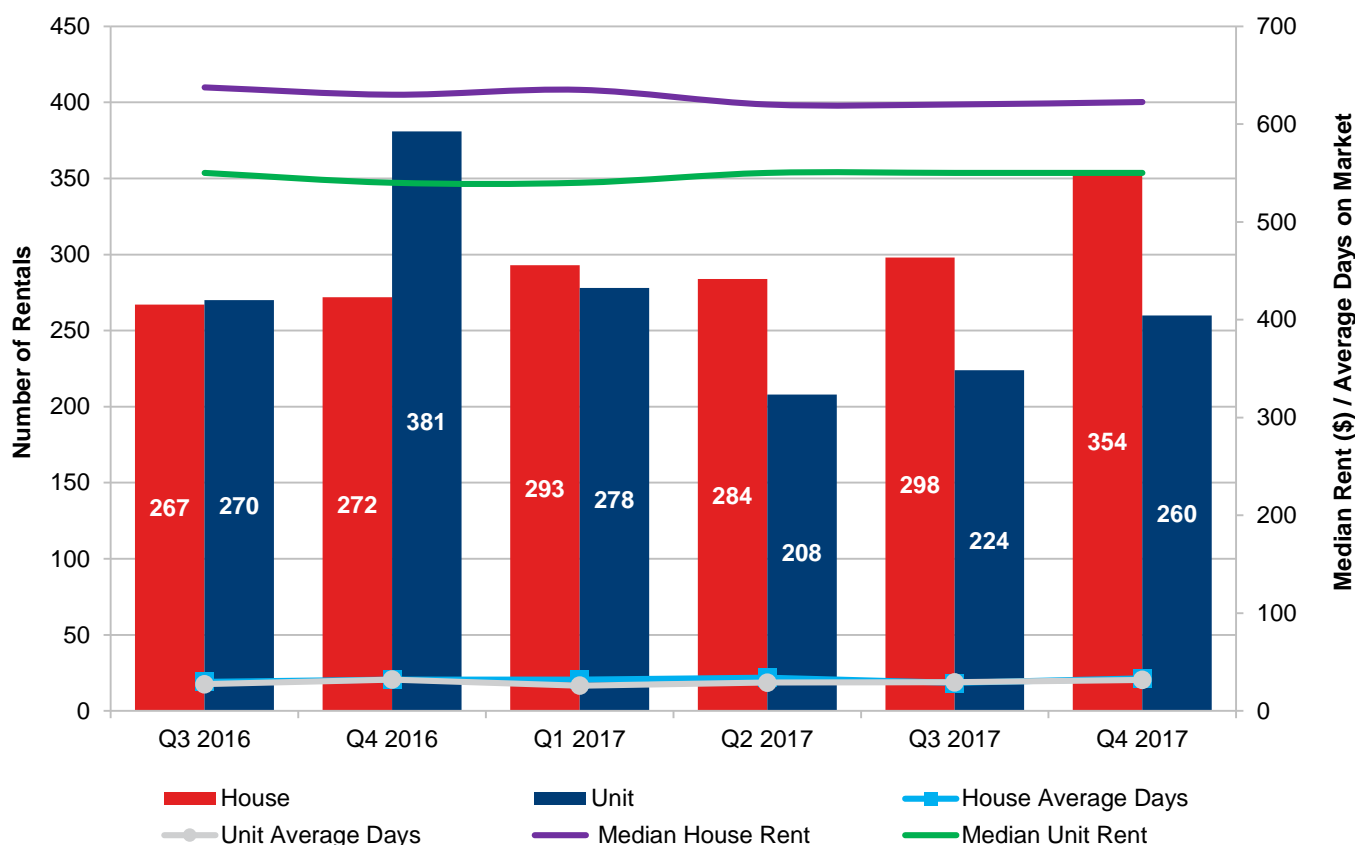
HOUSE KEY FACTS Q4 2017

Median Rent Price: \$623 per week
Rental Yield: 2.7%
Average Days on Market: 33
Bedroom Breakdown:
2 Bed: 8%, 3 Bed: 36%, 4+ Bed: 56%

UNITS KEY FACTS Q4 2017

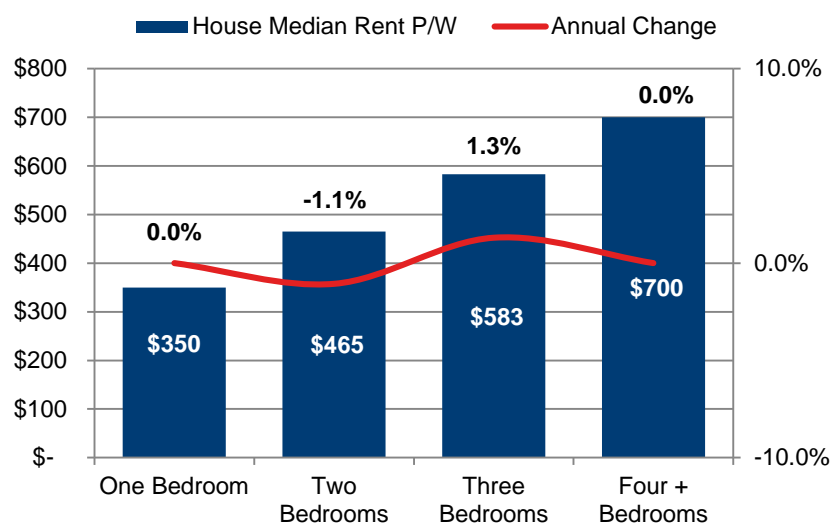
Median Rent Price: \$550 per week
Rental Yield: 3.7%
Average Days on Market: 32
Bedroom Breakdown:
1 Bed: 10%, 2 Bed: 52%, 3+ Bed: 38%

MEDIAN RENT AND AVERAGE DAYS ON MARKET*



*Disclaimer: Norwest market data and key indicators encapsulates aggregate property market conditions in the following suburbs: Castle Hill, Baulkham Hills & Rouse Hill. Source: APM Pricerfinder, realestate.com.au, SQM Research. © Copyright PRDNationwide 2018.

RENTAL PERFORMANCE 2017*



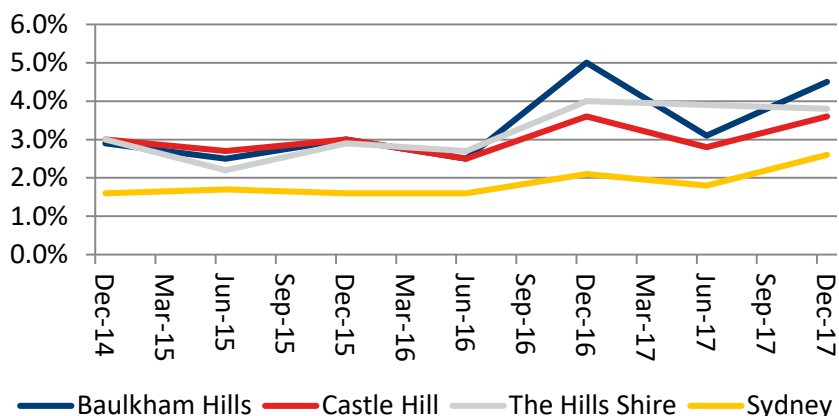
KEY COMMENTS

Rental returns are particularly strong in the Baulkham Hills area, on par with that of Sydney Metro, at 2.7% (houses) and 3.8% (units).

3+ Bedroom houses provide the highest annual rental growth at 1.3%.

Opportunity for employment growth is evident in the Norwest* area, where unemployment rates are lower than NSW and the percentage of professionals are much higher. With a stronger weekly household income, residents in Norwest* have a higher capability to own their properties outright and servicing mortgages, rather than renting.

VACANCY RATES 2017



RENTAL YIELD 2017

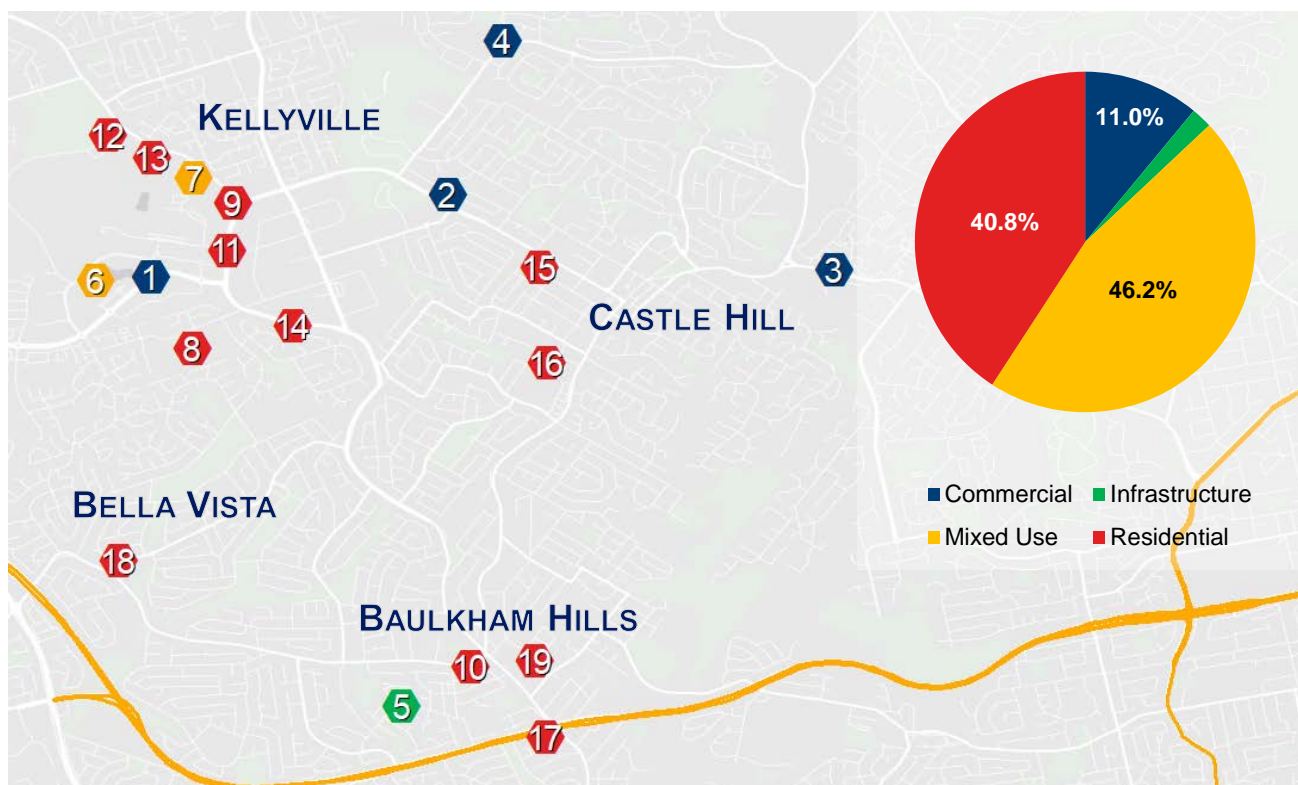
Suburb/ Postcode/ LGA	House Rental Yield	Unit Rental Yield
Castle Hill	2.5%	3.4%
Baulkham Hills	2.7%	3.8%
The Hills Shire	2.7%	3.9%
Sydney Metro	2.9%	3.8%

KEY HOUSING DEMOGRAPHICS

	Norwest	The Hills Shire LGA	New South Wales
Median weekly household income	\$2,219	\$2,363	\$1,486
Median monthly mortgage repayments	\$2,500	\$2,500	\$1,986
Unemployed	5.1%	4.6%	6.3%
Professionals	31.2%	29.0%	23.6%
Owned outright	35.6%	34.5%	32.2%
Owned with mortgage	38.9%	45.7%	32.3%
Rented	19.8%	17.1%	31.8%

*Rental performance graph represents aggregate house median rent prices in the following suburbs: Castle Hill, Baulkham Hills & Rouse Hill. Annual change is a comparison between 2016 and 2017 median rent figures. Source: APM Pricerfinder, SQM Research, ABS Census 2016. © Copyright PRDNationwide 2018.

PROJECT DEVELOPMENT MAP 1st HALF 2018*



Location	Project**	Type	Estimated Value***	Commence Date****
1	Century Estate Stage 7	Commercial	\$25,000,000	09/04/2018
2	Kathleen Av Boarding House	Commercial	\$2,200,000	18/06/2018
3	Anglican Retirement Village	Commercial	\$600,000	14/02/2018
4	Knightsbridge Shopping Centre	Commercial	\$500,000	14/05/2018
5	The Hills State Emergency Service Headquarters	Infrastructure	\$5,100,000	11/04/2018
6	Mixed Use Development Norwest Lake – Esplanade (247 Apartments)	Mixed Use	\$105,800,000	14/05/2018
7	Windsor Rd Mixed Use Development (35 Units)	Mixed Use	\$13,000,000	23/04/2018
8	Mackillop Drive Residential Development - Mackillop Ridge Estate (77 Lots)	Residential	\$51,594,000	13/04/2018
9	Windsor Rd Townhouses (32 Townhouses)	Residential	\$10,883,000	19/06/2018
10	Seven Hills Rd Units(23 Units)	Residential	\$8,279,000	02/04/2018
11	Windsor Rd Townhouses (29 Townhouses)	Residential	\$8,000,000	14/05/2018
12	Windsor Rd Townhouses - Ever Green (40 Townhouses)	Residential	\$7,600,000	24/04/2018
13	Windsor Rd Townhouses (29 Townhouses)	Residential	\$5,500,000	14/05/2018
14	Windsor Rd Townhouses – Luxe (27 Townhouses)	Residential	\$4,900,000	19/02/2018
15	Cecil Ave Townhouses (22Townhouses)	Residential	\$3,900,000	16/04/2018
16	Marie St Townhouses (6 Townhouses)	Residential	\$1,500,000	04/06/2018
17	Junction Rd Dual Occupancies (3 Dual Occupancies)	Residential	\$1,214,000	16/04/2018
18	Merindah Rd Affordable Rental Housing (2 Townhouses)	Residential	\$820,000	14/05/2018
19	James St Townhouses (3 Townhouses)	Residential	\$750,000	05/01/2018

*Disclaimer: Project development map showcases a sample of upcoming projects only, due to accuracy of addresses provided by the data provider for geocoding purposes.

**Projects refers to the top developments within the suburbs of Castle Hill, Baulkham Hills & Rouse Hill.

***Estimated value is the value of construction costs provided by relevant data authority, it does not reflect the project's sale/commercial value.

****Commencement date quoted for each project is an approximate only, as provided by the relevant data authority, PRDnationwide does not hold any liability to the exact date.
Source: Cordell Database, ESRI ArcGIS, Department of Planning and Environment NSW, The Hills Shire Council. © Copyright PRDnationwide 2018.

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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