



**Norwest**

Property Factsheet

2nd Half 2018





## MARKET CONDITIONS

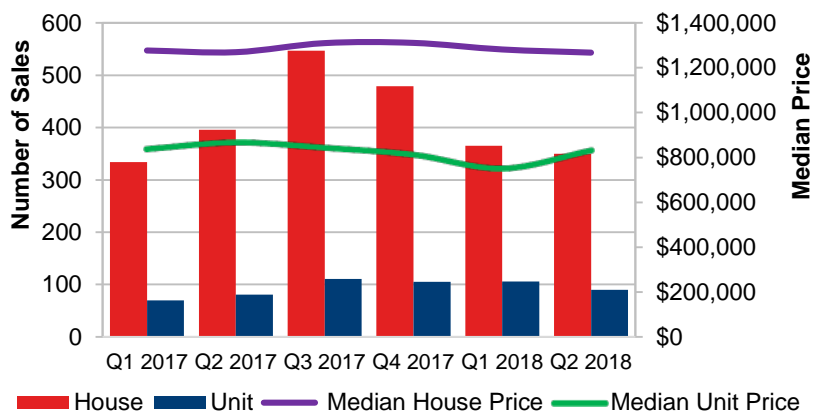
The Norwest\* property market recorded a median house price of \$1,247,500 and \$847,000 for units in Q2 2018, which represents an annual price change of -10.3% and -2.6% respectively. Over the same period of time, house and unit prices in The Hills Shire Local Government Area (LGA) softened by -0.2% to \$1,268,000 and -3.9% to \$835,000, respectively.

In the 1<sup>st</sup> half of 2018 research report Norwest\* reported an annual price change of -1.5% for house and 6.4% for units, with a median price of \$1,280,250 and \$850,000 respectively. Comparatively Norwest\* has experienced further cooling, where median prices have become more affordable – particularly for houses. This is reflective of Sydney's cooling in property prices, presenting greater opportunities for affordability in this premium market. Buyers are urged to act now and take advantage of this window of affordability.

Average vendor discounting over the past 12 months to Q2 2018 have widened to -4.4% for houses and -6.7% for units. This suggests that Norwest is a buyers market where sellers are more willing to negotiate the initial asking price. Now is the perfect time to transact – buyers to capitalize on affordability and sellers to minimize further risks in cooling capital growth.

Median rent in Norwest\* has softened partially for both house and units over the past 12 months to Q2 2018, currently at \$610 per week (house) and \$540 per week (units). Over the same period of time, rental activity has increased by 19.4% (house) and 18.8% (units). Further investment desirability of this market is supported by solid rental yields of 2.7% (house) and 3.7% (units), similar to that of Sydney Metro yields of 2.8% and 3.8%.

## 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. Norwest\* had a population of approx. 84,609 in 2016, which is an increase of 6.6% over the past 5 years. The majority of families comprise of couples with children (60.6%) followed by couples without children (27.2%).

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. \$1.5B of new projects commencing in the 2<sup>nd</sup> half of 2018. Residential accounted for the majority of development value (\$993.1M or 67.7%). This is followed by \$286.9M of mixed-use (or 19.6%) and \$186.5M of commercial (or 12.7%) development.

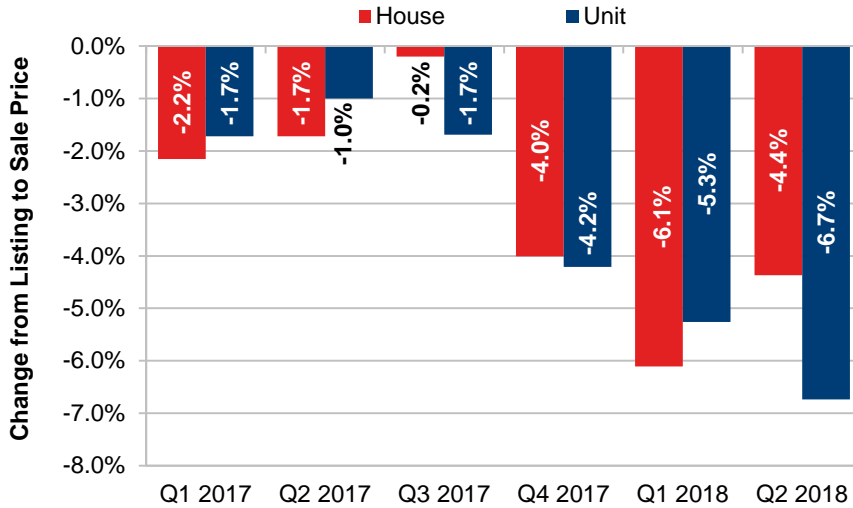
Residential projects are anticipated to deliver 1,763 units, 2,804 apartments and 77 lots. Although there are commercial projects planned a heavy residential focus will increase price affordability for buyers in the near future.

A key commercial project in the 2<sup>nd</sup> half of 2018 is the Castle Towers Stage 1 (\$164.2M). This involves alterations and additions to the existing Castle Towers shopping centre - improving aesthetics, services and retail floor space.

Another important project is the Skyview Castle Hill, which will involve the construction of 5 buildings comprising of 923 apartments. With an approx. value of \$257.3M this master-planned project will deliver a unique balance of community, connectivity and cultured lifestyle.

\*Norwest market data and key indicators encapsulates aggregate property market conditions in the following: 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, ABS Census. © Copyright PRDnationwide 2018.

## AVERAGE VENDOR DISCOUNT\*



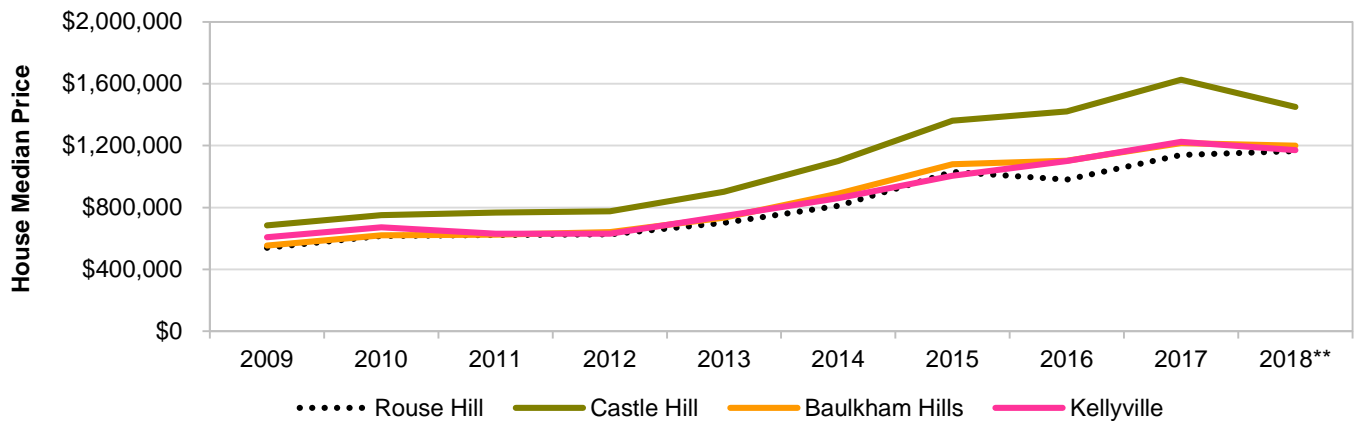
### AVERAGE VENDOR DISCOUNT

Average vendor discount reflects the average percentage difference between first list price and final sold price. A lower percentage difference (closer to 0) suggests buyers are willing to purchase close to the first asking price of a property.

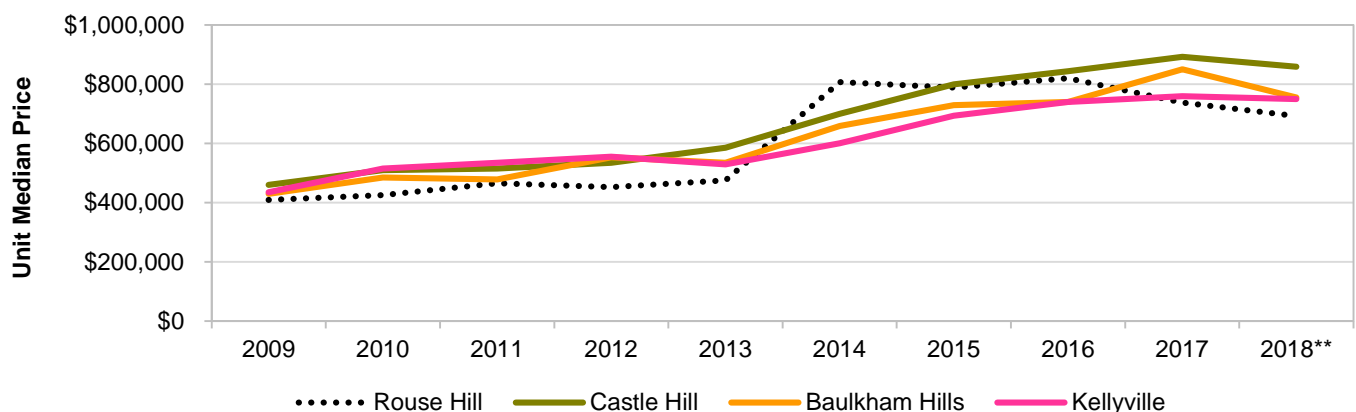
### MARKET COMPARISON GRAPH

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 Rouse Hill. The main suburb is highlighted through a dotted black line graph.

## HOUSE MARKET COMPARISON

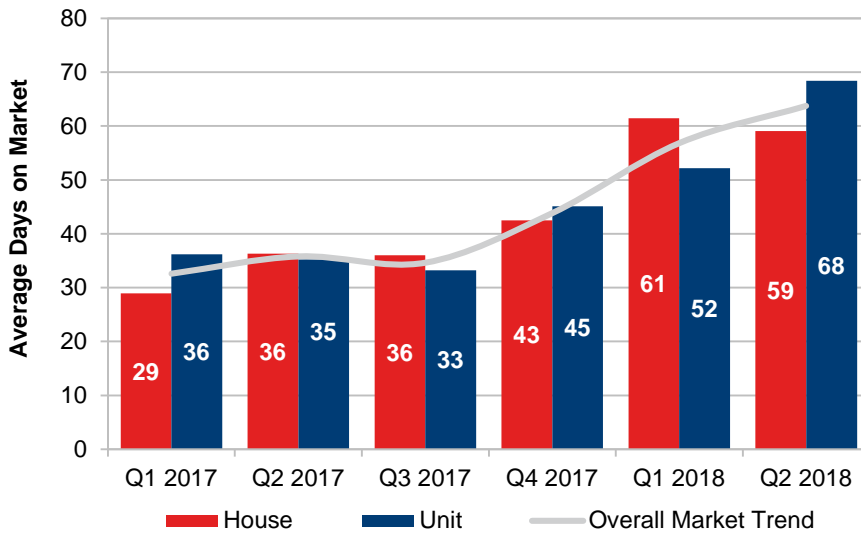


## UNIT MARKET COMPARISON



\*Norwest market data and key indicators encapsulates aggregate property market conditions in the following: Castle Hill, Baulkham Hills & Rouse Hill.  
 \*\*2018 data encapsulates sales transactions up to and inclusive of June 30 2018.  
 Source: APM Pricerfinder. © Copyright PRDnationwide 2018.

## AVERAGE DAYS ON MARKET\*\*



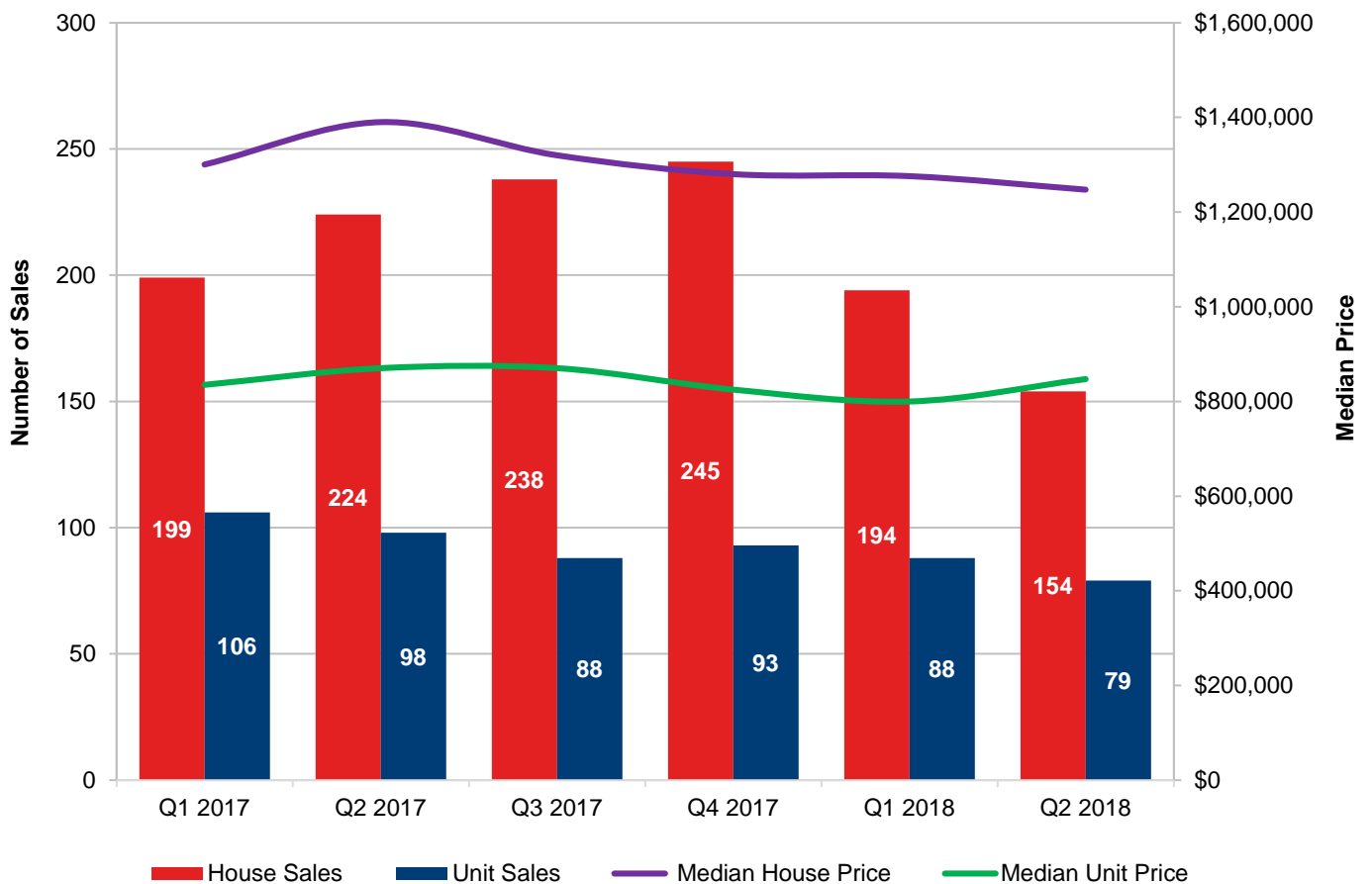
### HOUSE KEY FACTS Q2 2018

Median Sale Price: \$1,247,500  
 Annual Growth: -10.3%\*  
 Average Days on Market: 59  
 % Change between First Listed Price and Sold Price: -4.4%

### UNIT KEY FACTS Q2 2018

Median Sale Price: \$847,000  
 Annual Growth: -2.6%\*  
 Average Days on Market: 68  
 % Change between First Listed Price and Sold Price: -6.7%

## SALES AND MEDIAN PRICE\*\*



\*Annual growth represents price growth for property transactions between Q2 2017 to Q2 2018 (inclusive).

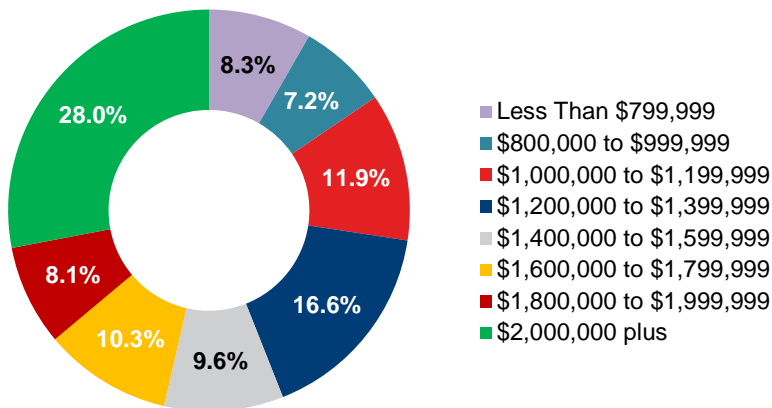
\*\*Norwest market data and key indicators encapsulates aggregate property market conditions in the following: Castle Hill, Baulkham Hills & Rouse Hill.

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

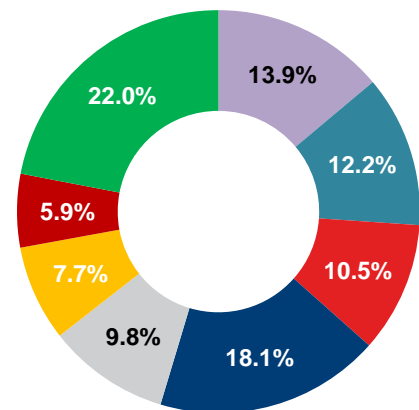


## SALES PRICE POINT COMPARATIVE ANALYSIS

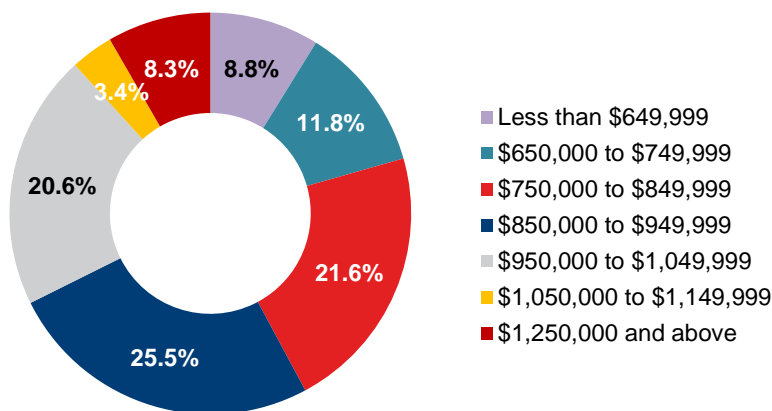
### HOUSE PRICE POINT 1<sup>st</sup> HALF 2017



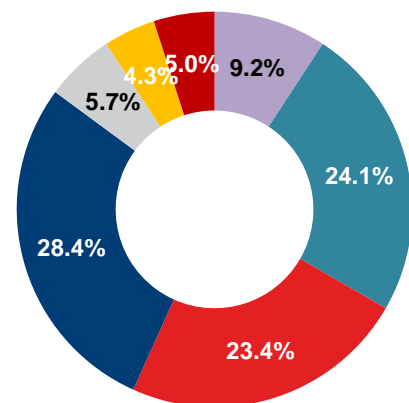
### HOUSE PRICE POINT 1<sup>st</sup> HALF 2018



### UNIT PRICE POINT 1<sup>st</sup> HALF 2017



### UNIT PRICE POINT 1<sup>st</sup> HALF 2018



#### KEY IMPLICATIONS - HOUSE

The dominant proportion of houses being sold in Norwest\* in 1<sup>st</sup> half of 2018 continued to be in the \$2.0M and above price segment, however this has declined from 28.0% in 1<sup>st</sup> half of 2017 to 22.0%. Over the same time, price segments \$1.8M-\$2.0M and \$1.6M-\$1.8M have also declined to 5.9% and 7.7%, respectively. These figures narrowed considerably, which is reflective of Norwest's\* shift to a more affordable property market.

During the 1<sup>st</sup> half of 2018 house sales in price brackets below \$0.8M and between \$0.8M – \$1.0M have increased, to 13.9% and 12.2%, respectively. Buyers are urged to act now and take advantage of this opportunity.

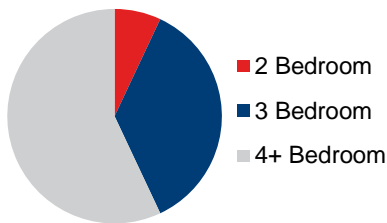
#### KEY IMPLICATIONS - UNIT

The dominant proportion of units being sold in Norwest\* in the 1<sup>st</sup> half of 2018 continued to be within the \$850-\$950K price segment, which has increased from 25.5% in 2017 to 28.4%. Meanwhile, sales in the \$950K-\$1.05M price bracket declined significantly from 20.6% to 5.7%. This indicates a shift from the higher end of the market to a more mid range market in Norwest\*.

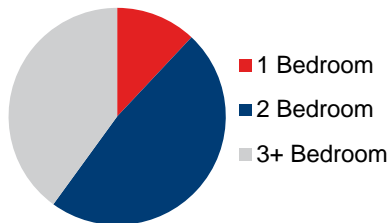
The number of unit sales in all price segments below \$950K have experienced a significant increases in 1<sup>st</sup> half 2018. In particular, sales in price segments \$650K-\$750K increased from 11.8% to 24.1%. This suggests more opportunities of affordable units in Norwest\*.

## INVESTMENT ANALYSIS

### HOUSE



### UNIT



### HOUSE KEY FACTS Q2 2018

Median Rent Price: \$610 per week  
 Rental Yield: 2.7%  
 Average Days on Market: 28  
 Bedroom Breakdown:  
 2 Bed: 7%, 3 Bed: 36%, 4+ Bed: 57%

### UNIT KEY FACTS Q2 2018

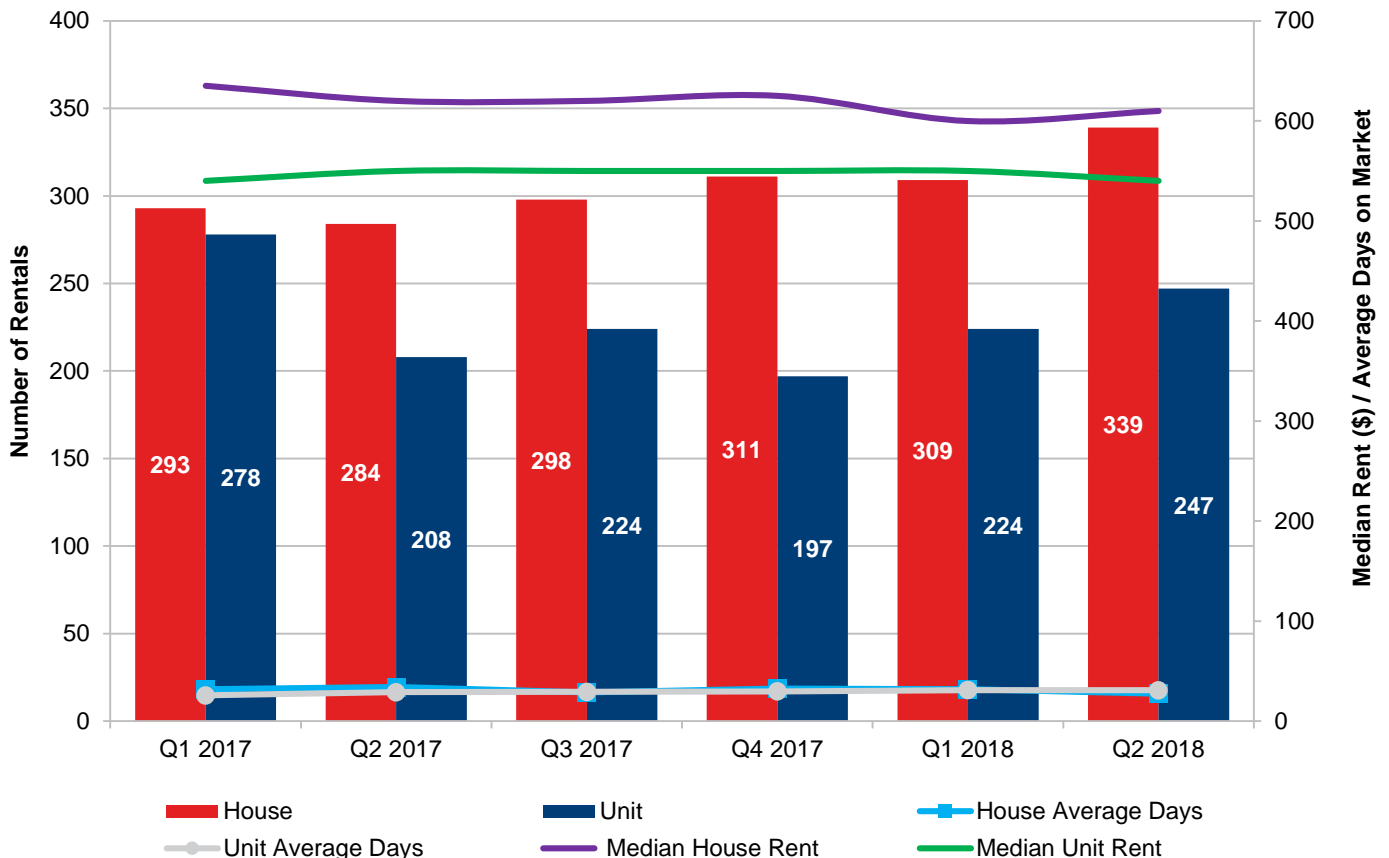
Median Rent Price: \$540 per week  
 Rental Yield: 3.7%  
 Average Days on Market: 31  
 Bedroom Breakdown:  
 1 Bed: 12%, 2 Bed: 48%, 3+ Bed: 40%

### KEY COMMENTS

Median rents in Norwest\* have softened partially over the past 12 months to Q2 2018, by -1.6% to \$610 for houses and -1.8% to \$540 for units. Over the same time, rental activity has increased by 19.4% (house) and 18.8% (units), which suggests a potential oversupply in the area, with a wider range of options for prospective tenants. Furthermore, Norwest recorded a vacancy rate of 4.7%, as at May, which suggest an increasing trend over the past 12 months. Investors in Norwest\* are encouraged to adjust pricing to reflect the market and offer incentives in order to acquire and hold tenants.

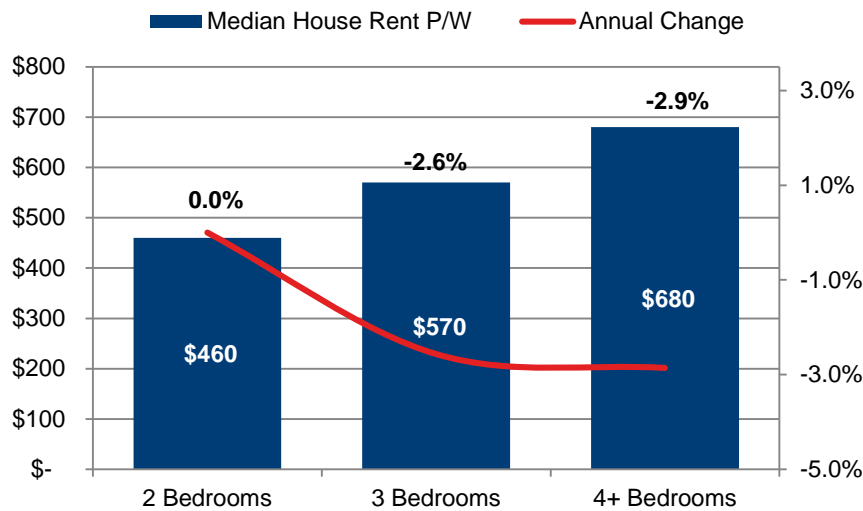


## MEDIAN RENT AND AVERAGE DAYS ON MARKET\*



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

## RENTAL PERFORMANCE 2018\*



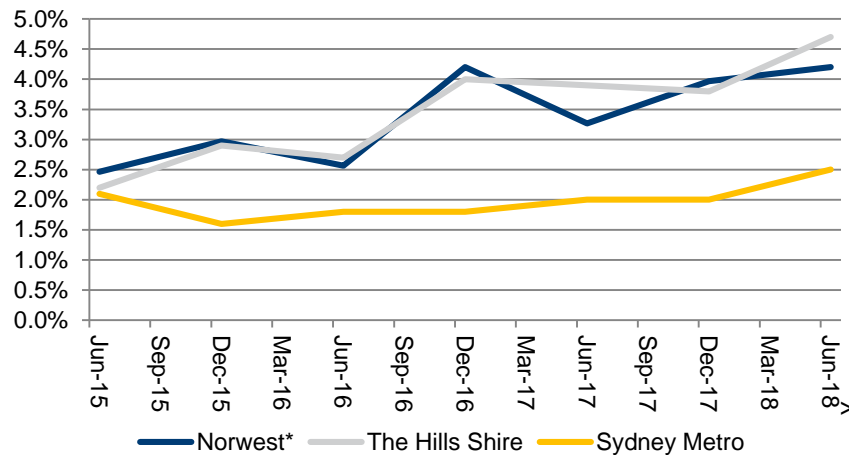
### KEY COMMENTS

Rental returns are particularly strong in the Rouse Hills area, currently at 3.1% (houses) and 4.0% (units). This is higher than that of Sydney Metro at 2.8% and 3.8%.

Over the past 12 months, 2 bedroom houses have remained relatively stable currently at \$460 per week.

Norwest\* have a greater proportion of family households with full time workers. This suggests potentially a greater ability to pay higher median rents of \$550+, higher than average NSW median rents of \$380. This makes Norwest\* an ideal place for expanding one's investment portfolio.

## VACANCY RATES 2018



## RENTAL YIELD 2018

Suburb/ Postcode/ LGA	House Rental Yield	Unit Rental Yield
Norwest**	2.7%	3.7%
Rouse Hill	3.1%	4.0%
The Hills Shire LGA	2.6%	4.0%
Sydney Metro	2.8%	3.8%

## KEY HOUSING DEMOGRAPHICS

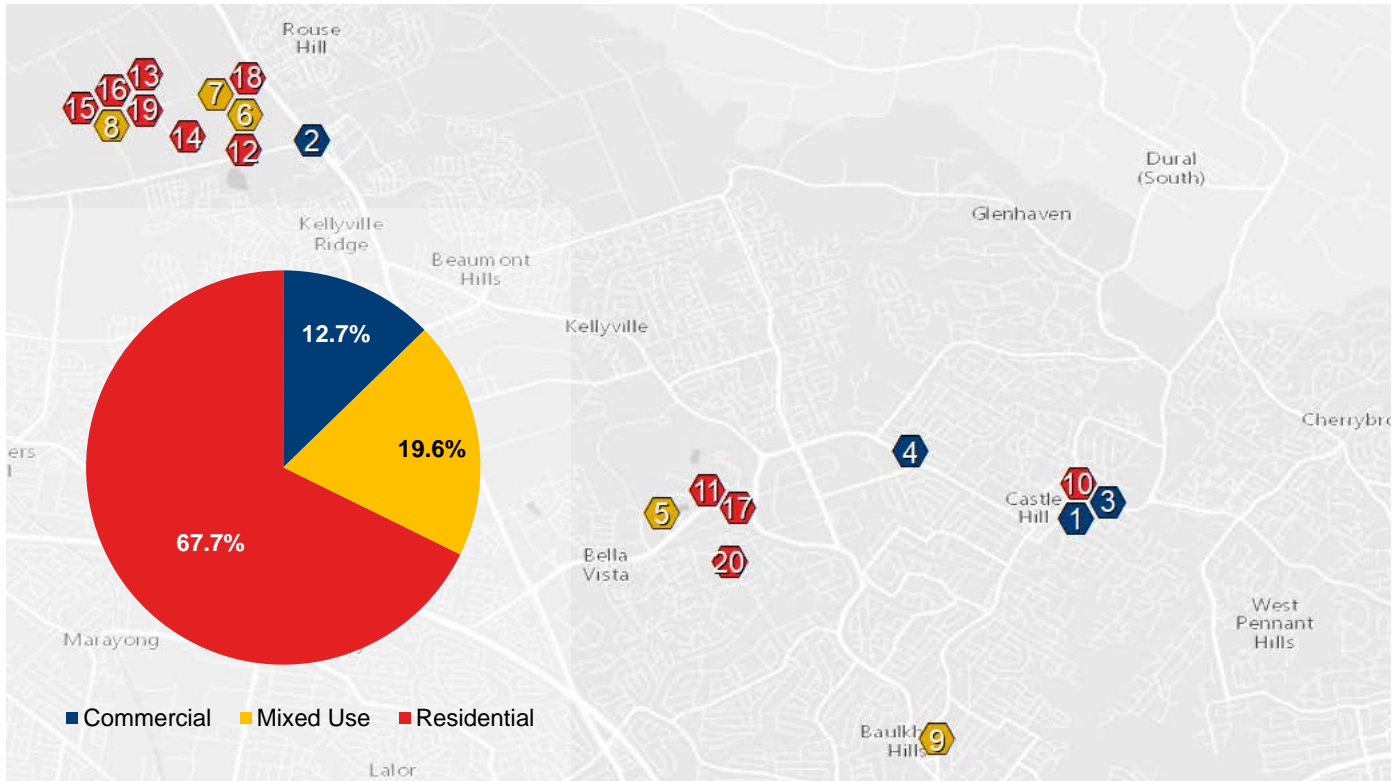
	Norwest**	Rouse Hill	The Hills Shire LGA	New South Wales
Median weekly rent	\$557	\$595	\$562	\$380
Family households	84.5%	87.2%	87.1%	72.0%
Single or lone person households	13.8%	11.2%	11.3%	23.8%
Worked full time	62.5%	63.7%	62.3%	59.2%
Worked part time	28.9%	28.1%	29.4%	29.7%
Occupied private dwellings	94.4%	93.8%	94.6%	90.1%
Unoccupied private dwellings	5.6%	6.2%	5.4%	9.9%

\*Rental performance graph represents aggregate house median rent prices in the following: Castle Hill, Baulkham Hills & Rouse Hill. Annual change is a comparison between 1<sup>st</sup> half 2017 and 1<sup>st</sup> half 2018 median rent figures.\*\*Norwest Demographics encapsulate the average market conditions and demographics of Castle Hill, Baulkham Hills & Rouse Hill.

<sup>^</sup> June 2018 vacancy rates figure is representative of the vacancy rates up to and including May 2018.

Source: APM Pricerfinder, SQM Research, ABS Census 2016. © Copyright PRDnationwide 2018.

## PROJECT DEVELOPMENT MAP 2<sup>nd</sup> HALF 2018\*



Location	Project**	Type	Estimated Value***	Commence Date****
1	Castle Towers Stage 1	Commercial	\$164,175,000	10/09/2018
2	The Fiddler Hotel	Commercial	\$15,000,000	20/08/2018
3	Castle Towers Shopping Centre	Commercial	\$5,095,000	10/09/2018
4	Kathleen Av Boarding House	Commercial	\$2,200,000	23/07/2018
5	Mixed Use Development Norwest Lake – Esplanade (247 Apartments)	Mixed Use	\$105,800,000	24/09/2018
6	Terry Road Apartments (332 Apartments)	Mixed Use	\$95,097,000	19/11/2018
7	Terry Road Mixed Use Development (310 Units)	Mixed Use	\$53,607,000	10/12/2018
8	Tallowong Road Mixed Use Development (117 Units)	Mixed Use	\$22,568,000	28/09/2018
9	Old Northern Rd Mixed Use Development (29 Units)	Mixed Use	\$9,830,000	04/12/2018
10	Old Castle Hill Rd Apartments - Skyview Castle Hill (923 Apartments)	Residential	\$257,297,000	15/10/2018
11	7 Maitland Place Apartments (287 Apartments)	Residential	\$138,207,000	21/12/2018
12	Schofields Rd Residential Buildings (520 Units)	Residential	\$113,832,000	05/11/2018
13	Rouse Road Residential Development (285 Apartments)	Residential	\$71,618,000	17/12/2018
14	Cudgegong Road Apartments (295 Apartments)	Residential	\$67,340,000	17/09/2018
15	Tallowong Road Apartments (227 Apartments)	Residential	\$60,528,000	24/09/2018
16	Cudgegong Road Units Stages 1-3 (201 Units)	Residential	\$60,062,000	27/12/2018
17	Ellendale The Orchards (330 Units)	Residential	\$60,000,000	01/10/2018
18	Terry Rd Units – Evergrand (256 Units)	Residential	\$57,633,000	06/08/2018
19	Cudgegong Road Apartments Stages 1-2 (208 Apartments)	Residential	\$55,036,000	07/11/2018
20	Mackillop Ridge Estate (77 subdivided lots)	Residential	\$51,594,000	22/10/2018

\*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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