MARkET CONdiTiONS

In Q3 2018 the Maroubra* property market recorded a median house price of $1,780,000 and a median unit price of $825,000. This represented annual (Q3 2017-Q3 2018) price changes of -5.6% and 1.2%. Compared to Maroubra 1st Half 2018 Research Factsheet, which reported an annual (Q1 2017 – Q1 2018) median price change of 5.2% (house) and 4.7% (units), properties in Maroubra have become more affordable.

Over the same period (Q3 2017-Q3 2018), house prices in the City of Randwick Local Government Area (LGA) softened by -18.5% to $2,175,000 and unit prices cooled by -10.3% to $870,000. The Maroubra* house and unit markets fared better than the wider Randwick LGA over the past 12 months. In particular, the unit market showed far greater resilience in its median sale price than the Randwick LGA, turning positive growth in a cooling market. This reaffirms Maroubra* as having strong ongoing investment potential.

Average vendor discounting shows a return to a buyer’s market for both houses and units in Q3 2018, at -0.9% and -0.5% respectively. This indicates that sellers are, on average, achieving slightly less than their initial listing price. Average time to sell has increased in Q3 2018, up to 48 days for houses and 65 days for units. This further confirms that now is the time to buy in Maroubra.

In the 12 months to Q3 2018, median rent for houses in Maroubra* increased from $900 per week to $1,000 per week. At the same time, the unit market remained relatively stable, experiencing a slight decline from $600 per week to $595 per week. In the 12 months to Q3 2018, the number of units listed on the rental market in Maroubra* almost doubled, from 361 units to 711 units (+97.0%), while the number of houses remained relatively stable. These indicators together suggest there is strong demand for rentals in Maroubra*.

CiTY OF RANDWICK GROWTH

OVERVIEW

Maroubra is located approx. 10km from Sydney CBD. According to ABS Census 2016 48.1% of occupied private dwellings in Maroubra were rented, higher than the New South Wales average of 31.8%. Furthermore the number of private dwellings only increased by 3.0% over the past five years. This is good news for investors looking to enter the market.

CHANGE FROM YEAR HALF YEAR

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>House Sales</td>
<td></td>
<td></td>
</tr>
<tr>
<td>House Median Price</td>
<td></td>
<td></td>
</tr>
<tr>
<td>House Rental Price</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unit Sales</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unit Median Price</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unit Rental Price</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

FUTURE DEVELOPMENTS**

Maroubra, particularly in postcodes 2035/2036* is set to see approx. $322.9M of new projects commencing in the 2nd half of 2018, 48.6% of which is dedicated to commercial projects. This is a key strategy for Maroubra*, as commercial projects will increase economic activity in the area and support local job growth, resulting in sustainable economic growth.

A total of 314 units/apartments and 14 townhouses are planned for Maroubra* in the 2nd half of 2018, to be delivered by 2 mixed-use and 7 pure residential projects. 37.1% of total estimated value will be invested into mixed-use projects. This is a mutually beneficial strategy for adding property stock whilst attracting increased levels of commercial activity in the area.

A key mixed-use project is Newmarket Green – Figtree Pocket ($116.9M), which will deliver 279 apartments, an 18m wide urban plaza, and 14 neighbourhood retail tenancies. Key residential projects include: Marcel Avenue Units ($5.9M, 12 units), Llanfoy St Apartments ($2.7M, 6 apartments), Chester Avenue Townhouse ($2.3M, 5 townhouses), and Gale Rd Apartments ($2.2M, 9 apartments).

*Maroubra market data and key indicators encapsulates aggregate property market conditions in the postcodes 2035 & 2036.
**Estimated values are based on construction value provided by the relevant data authority and does not reflect commercial and/or re-sale value.
**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 Maroubra.

The main suburb is highlighted through a dotted black line graph.
AVERAGE DAYS ON MARKET**

HOUSE KEY FACTS Q3 2018
- Median Sale Price: $1,780,000
- Annual Growth: -5.6%*
- Average Days on Market: 48
- % Change between First Listed Price and Sold Price: -0.9%

UNIT KEY FACTS Q3 2018
- Median Sale Price: $825,000
- Annual Growth: 1.2%*
- Average Days on Market: 65
- % Change between First Listed Price and Sold Price: -0.5%

SALES AND MEDIAN PRICE**

*Annual growth represents price growth for property transactions between Q3 2017 to Q3 2018 (inclusive).
**Maroubra market data and key indicators encapsulates aggregate property market conditions in the postcodes 2035 & 2036.
HOUSE PRICE POINT 2017

- Less than $1,299,999: 16.3%
- $1,300,000 to $1,499,999: 8.2%
- $1,500,000 to $1,699,999: 11.3%
- $1,700,000 to $1,899,999: 14.4%
- $1,900,000 to $2,099,999: 5.8%
- $2,100,000 to $2,299,999: 16.8%
- $2,300,000 to $2,499,999: 21.6%
- $2,500,000 and above: 5.5%

HOUSE PRICE POINT 2018

- Less than $1,299,999: 12.4%
- $1,300,000 to $1,499,999: 8.5%
- $1,500,000 to $1,699,999: 10.4%
- $1,700,000 to $1,899,999: 17.9%
- $1,900,000 to $2,099,999: 24.9%
- $2,100,000 to $2,299,999: 10.4%
- $2,300,000 to $2,499,999: 8.5%
- $2,500,000 and above: 12.4%

UNIT PRICE POINT 2017

- Less than $649,999: 14.4%
- $650,000 to $749,999: 16.2%
- $750,000 to $849,999: 7.6%
- $850,000 to $949,999: 15.7%
- $950,000 to $1,049,999: 17.5%
- $1,050,000 to $1,149,999: 17.0%
- $1,150,000 to $1,249,999: 14.0%
- $1,250,000 and above: 5.5%

UNIT PRICE POINT 2018

- Less than $649,999: 16.9%
- $650,000 to $749,999: 12.9%
- $750,000 to $849,999: 5.5%
- $850,000 to $949,999: 15.1%
- $950,000 to $1,049,999: 14.0%
- $1,050,000 to $1,149,999: 7.7%
- $1,150,000 to $1,249,999: 8.1%
- $1,250,000 and above: 19.9%

KEY IMPLICATIONS - HOUSE

The dominant price bracket for houses sold in Maroubra* continues to be the $1.7M – $1.9M segment, increasing from 21.6% in 2017 to 24.9% in 2018**. Despite a softening in median house price, of -5.6% over the past 12 months to Q3 2018, there is some stability in the dominant pricing structure within the market.

Prices above and below the $1.7M - $1.9M bracket indicates a distinct shift in the market. The total proportion of houses sold below $1.7M was 34.8% in 2018, compared to 28.1% in 2017. In contrast, houses sold above $1.9M in 2018 totaled 40.3% of sales, which was 50.2% in 2017. This suggests that while the higher end of the market is still dominant, buyers are beginning to achieve better value in the lower end of the market.

KEY IMPLICATIONS - UNIT

In 2018**, the dominant price bracket for units sold in Maroubra* was the $850K – $950K segment (19.9%). By comparison, the largest price segment for units in 2017 was $650K – $750K (17.5%). This suggests a significant movement towards higher pricing in the market.

Units below $850K represented 42.0% of all sales in 2018, which was 50.7% in 2017 (thus a decline of -8.7%). Units priced above $950K represented 38.2% of all sales in 2018, which was 33.4% in 2017 (an increase of +4.8%). This confirms there has been an increase in activity in the upper end of the market in 2018, pushing median pricing upwards, inline with the reported 1.2% growth in median unit price over the past 12 months to Q3 2018. Buyers should act quickly and secure units in the current market.

*Disclaimer: Maroubra market data and key indicators encapsulates aggregate property market conditions in the postcodes 2035 & 2036. Each pie chart encapsulates sales data from Q1-Q3 of the relevant year, to allow for fair comparison in price point changes.

Interest in property in the suburb of Maroubra was recorded at an average of 730 online visits per property, slightly below the NSW average of 832. For both houses and units, rental demand has increased significantly. Over the past 12 months to Q3 2018, the number of units on the Maroubra* rental market almost doubled to 711, while the median rental price fell by just $5 to $595 per week. In contrast, the number of houses on the rental market slightly increased to 107, while the median rental price increased +$100 to $1,000 per week. This dynamic in rental supply and price indicate continued strong rental demand in Maroubra*.

RENTAL PERFORMANCE 2018*

- Median House Rent P/W
- Annual Change

- $680
- $950
- $1,200

- 2 Bedrooms
- 3 Bedrooms
- 4+ Bedrooms

-1.9% 11.8% -4.0%

KEY COMMENTS
Rental yields in Maroubra* have been largely in line with Sydney, being on-par for houses (2.7%) and slightly outperforming for units (2.8%).

3-bedroom houses have provided the highest annual rental growth at 11.8%, currently at $950 per week.

Vacancy rates in Maroubra* were 2.6% as of June 2018, the same as the wider City of Randwick LGA and slightly lower than the Sydney Metro area (2.7%). While the gap between these areas has been wider in the past, Maroubra* continues to provide a healthier rental demand than Sydney, reinforcing its investment value.

VACANCY RATES 2018

- Maroubra*
- City of Randwick
- Sydney Metro

RENTAL PERFORMANCE 2018

<table>
<thead>
<tr>
<th>Suburb/Postcode/LGA</th>
<th>House Rental Yield</th>
<th>Unit Rental Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maroubra*</td>
<td>2.7%</td>
<td>3.8%</td>
</tr>
<tr>
<td>City of Randwick</td>
<td>2.6%</td>
<td>3.8%</td>
</tr>
<tr>
<td>Sydney Metro</td>
<td>2.7%</td>
<td>3.7%</td>
</tr>
</tbody>
</table>

KEY HOUSING DEMOGRAPHICS

<table>
<thead>
<tr>
<th></th>
<th>Postcode 2035</th>
<th>Postcode 2036</th>
<th>Randwick LGA</th>
<th>New South Wales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Median weekly household income</td>
<td>$1,736</td>
<td>$1,639</td>
<td>$1,916</td>
<td>$1,486</td>
</tr>
<tr>
<td>Median monthly mortgage repayments</td>
<td>$2,600</td>
<td>$2,500</td>
<td>$2,600</td>
<td>$1,986</td>
</tr>
<tr>
<td>Unemployed</td>
<td>5.2%</td>
<td>4.9%</td>
<td>5.6%</td>
<td>6.3%</td>
</tr>
<tr>
<td>Professionals</td>
<td>32%</td>
<td>22.6%</td>
<td>34.8%</td>
<td>23.6%</td>
</tr>
<tr>
<td>Owned outright</td>
<td>30.8%</td>
<td>29.7%</td>
<td>26.2%</td>
<td>32.2%</td>
</tr>
<tr>
<td>Owned with mortgage</td>
<td>24.7%</td>
<td>28.1%</td>
<td>23.1%</td>
<td>32.3%</td>
</tr>
<tr>
<td>Rented</td>
<td>40.1%</td>
<td>37.5%</td>
<td>46.9%</td>
<td>31.8%</td>
</tr>
</tbody>
</table>

*Rental performance graph represents aggregate house median rent prices in the postcodes 2035 & 2036. Annual change is a comparison between Q1-Q3 2017 and Q1-Q3 2018 median rent figures.

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PROJECT DEVELOPMENT MAP 2nd HALF 2018*

<table>
<thead>
<tr>
<th>Location</th>
<th>Project**</th>
<th>Type</th>
<th>Estimated Value***</th>
<th>Commence Date****</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Sir Moses Montefiore Jewish Home</td>
<td>Commercial</td>
<td>$88,726,000</td>
<td>03/12/2018</td>
</tr>
<tr>
<td>2</td>
<td>Royal Randwick Racecourse Stable Precinct</td>
<td>Commercial</td>
<td>$55,000,000</td>
<td>10/12/2018</td>
</tr>
<tr>
<td>3</td>
<td>The Australian Golf Club Kensington</td>
<td>Commercial</td>
<td>$3,135,000</td>
<td>13/08/2018</td>
</tr>
<tr>
<td>4</td>
<td>Perouse Road Boarding House</td>
<td>Commercial</td>
<td>$3,032,000</td>
<td>09/08/2018</td>
</tr>
<tr>
<td>5</td>
<td>The Australian Golf Club Kensington Sheds</td>
<td>Commercial</td>
<td>$1,716,000</td>
<td>21/10/2018</td>
</tr>
<tr>
<td>6</td>
<td>Harbourne Road Boarding House</td>
<td>Commercial</td>
<td>$1,539,000</td>
<td>22/12/2018</td>
</tr>
<tr>
<td>7</td>
<td>Courland St Boarding House</td>
<td>Commercial</td>
<td>$1,490,000</td>
<td>02/10/2018</td>
</tr>
<tr>
<td>8</td>
<td>See Street Boarding House</td>
<td>Commercial</td>
<td>$1,223,000</td>
<td>03/10/2018</td>
</tr>
<tr>
<td>9</td>
<td>Bunnerong Road Boarding House</td>
<td>Commercial</td>
<td>$1,083,000</td>
<td>24/08/2018</td>
</tr>
<tr>
<td>10</td>
<td>Phase 3 Maritime Operational Support Capability Sydney Facility Works</td>
<td>Infrastructure</td>
<td>$26,000,000</td>
<td>19/11/2018</td>
</tr>
<tr>
<td>11</td>
<td>Kamay Botany Bay National Park &amp; NSW Golf Course</td>
<td>Infrastructure</td>
<td>$1,422,000</td>
<td>03/09/2018</td>
</tr>
<tr>
<td>12</td>
<td>Newmarket Green - Figtree Pocket (279 Apartments)</td>
<td>Mixed-Use</td>
<td>$116,904,000</td>
<td>06/08/2018</td>
</tr>
<tr>
<td>13</td>
<td>Castellorizian Cultural Centre (2 Apartments)</td>
<td>Mixed-Use</td>
<td>$2,788,000</td>
<td>10/10/2018</td>
</tr>
<tr>
<td>14</td>
<td>Marcel Avenue Units (12 Units)</td>
<td>Residential</td>
<td>$5,875,000</td>
<td>13/08/2018</td>
</tr>
<tr>
<td>15</td>
<td>Llanfoy St Apartments (6 Apartments)</td>
<td>Residential</td>
<td>$2,745,000</td>
<td>19/11/2018</td>
</tr>
<tr>
<td>16</td>
<td>Chester Avenue Townhouses (5 Townhouses)</td>
<td>Residential</td>
<td>$2,315,000</td>
<td>25/10/2018</td>
</tr>
<tr>
<td>17</td>
<td>Gale Road Apartments (9 Apartments)</td>
<td>Residential</td>
<td>$2,170,000</td>
<td>10/12/2018</td>
</tr>
<tr>
<td>18</td>
<td>Chicago Avenue Townhouses (5 Townhouses)</td>
<td>Residential</td>
<td>$2,066,000</td>
<td>27/09/2018</td>
</tr>
<tr>
<td>19</td>
<td>New Orleans Crescent Townhouses (4 Townhouses)</td>
<td>Residential</td>
<td>$1,886,000</td>
<td>22/12/2018</td>
</tr>
<tr>
<td>20</td>
<td>Gilderthorpe Avenue Apartments (6 Apartments)</td>
<td>Residential</td>
<td>$1,814,000</td>
<td>27/08/2018</td>
</tr>
</tbody>
</table>

*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 City of Randwick LGA.

***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, City of Randwick Council. © Copyright PRDnationwide 2018.
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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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