



Penrith
Property Factsheet
2nd Half 2018





MARKET CONDITIONS

In Q3 2018, Penrith* recorded a median house price of \$676,500 and a median unit price of \$495,000, representing annual (Q3 2017-Q3 2018) price changes of -3.3% and -4.3% respectively. Compared to *Penrith 1st half 2018 Research Factsheet*, which reported an annual (Q1 2017 – Q1 2018) median price change of -1.4% (house) and -2.3% (units), properties in Penrith* have become more affordable. This cooling of prices is in line with expectations in the wider Sydney market, and represents a return to more sustainable price levels.

From 2016 to 2018[^], the suburb of Kingswood experienced strong price growth of 13.0%, with a median house price of \$695,000. The suburb of St Marys also saw positive price growth between 2016-2018[^], of 5.2% to \$615,500. These suburbs have performed well compared to Penrith** and Werrington between 2016-2018[^], presenting the real possibility of ongoing capital growth value for property owners in these suburbs.

Average vendor discounting in Penrith* have further widened, to -5.5% for houses and -6.4% for units in Q3 2018. This indicates sellers are more willing to negotiate on first list asking price, thus presenting buyers with an ideal opportunity to enter the property market.

Rental demand for houses and units in Penrith* is growing. The number of houses rented increased by 40.2% over the past 12 months to Q3 2018, whilst the number of units increased by 47.4%. With such a large influx in available stock often comes notable declines in median rental prices, however both median house and unit rental prices have remained relatively stable, declining just \$10 each in the 12 months to Q3 2018 - to \$450 per week for houses and \$380 per week for units. This emphasizes that there is a strong level of ongoing demand for both house and unit rental stock in Penrith*.

MEDIAN HOUSE PRICE COMPARISON

Suburbs	2016	2017	2018 [^]	2016 - 2018 % Growth
Penrith**	\$705,000	\$715,000	\$670,000	-5.0%
Kingswood	\$615,000	\$670,000	\$695,000	13.0%
Werrington	\$635,000	\$660,000	\$585,000	-7.9%
St Marys	\$585,250	\$671,000	\$615,500	5.2%

OVERVIEW

Penrith is a major centre in the Sydney metropolitan, approx. 50kms northwest of Sydney CBD. According to ABS Census 2016 only 5.9% of private dwellings were unoccupied, lower than the New South Wales average of 9.9%. Further, the number of private dwellings grew by 9.7% during this time, signalling a healthy rental market for investment.

CHANGE FROM LAST	YEAR	HALF YEAR
House Sales	↓	↓
House Median Price	↓	↓
House Rental Price	↓	↓
Unit Sales	↓	↓
Unit Median Price	↓	↓
Unit Rental Price	↓	↓

FUTURE DEVELOPMENTS***

Penrith* is set to invest approx. \$774.5M of future developments in the 2nd half of 2018, 48.3% dedicated to commercial projects. This will increase economic activity and job creation, having positive spill-over benefits to the property market.

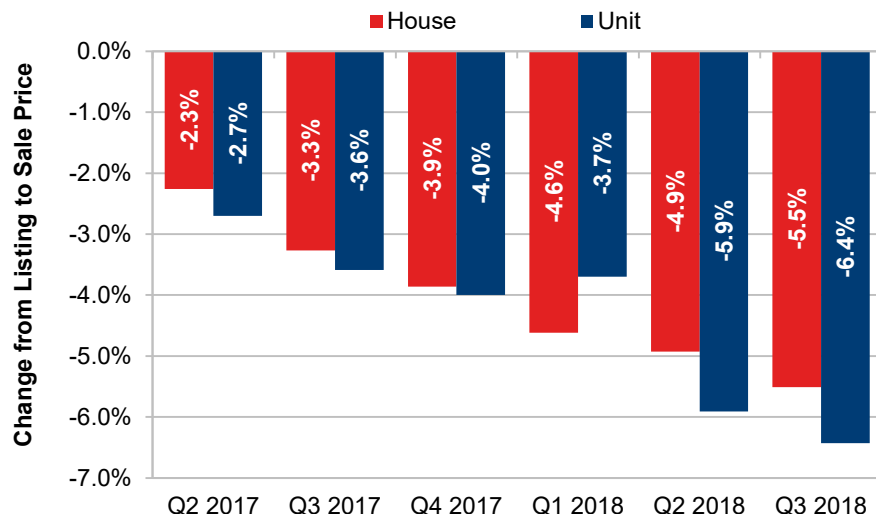
A key commercial project is the Western Sydney Inland Container Terminal Facility (\$100.0M). This projects will result in more freight by rail, relieving regional and local roads of container traffic.

A total of 616 units/apartments and 21 dwellings are planned for Penrith* in the 2nd half of 2018, split between 5 mixed-use and 6 residential projects. A key mixed-use project is the Lord Sheffield Circuit Mixed Use Development (\$21.9M), which will deliver 106 apartments and 3 ground level commercial tenancies.

Examples of residential projects include: John Topping Gr & De Vilnits Pde Apartments (\$21.2M, 119 apartments), Jordan Springs Village – Geneva (\$16.4M, 80 units), and Lethbridge St Apartments (\$15.8M, 66 apartments).

*Penrith market data and key indicators encapsulates aggregate property market conditions in the Local Government Area of Penrith City Council. **Market data quoted refers to the property market conditions in the suburb of Penrith only. ***Estimated values are based on construction value provided by the relevant data authority and does not reflect commercial and/or re-sale value. *2018 data represents sales transactions from 1st January 2018 to 30th September 2018. Source: APM Pricefinder, realestate.com.au. © Copyright PRDnationwide 2018.

AVERAGE VENDOR DISCOUNT**



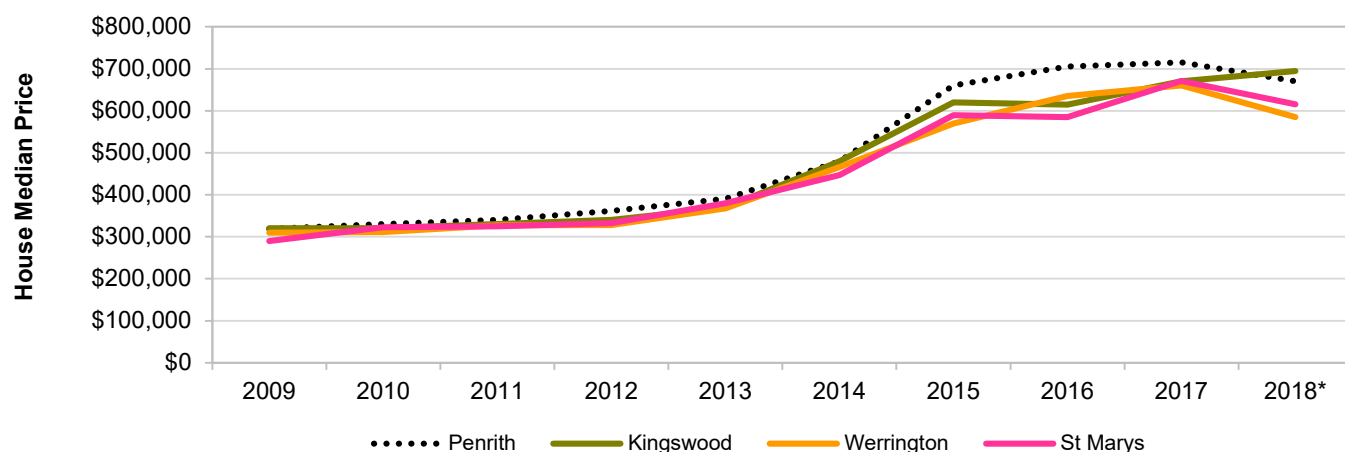
AVERAGE VENDOR DISCOUNT

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

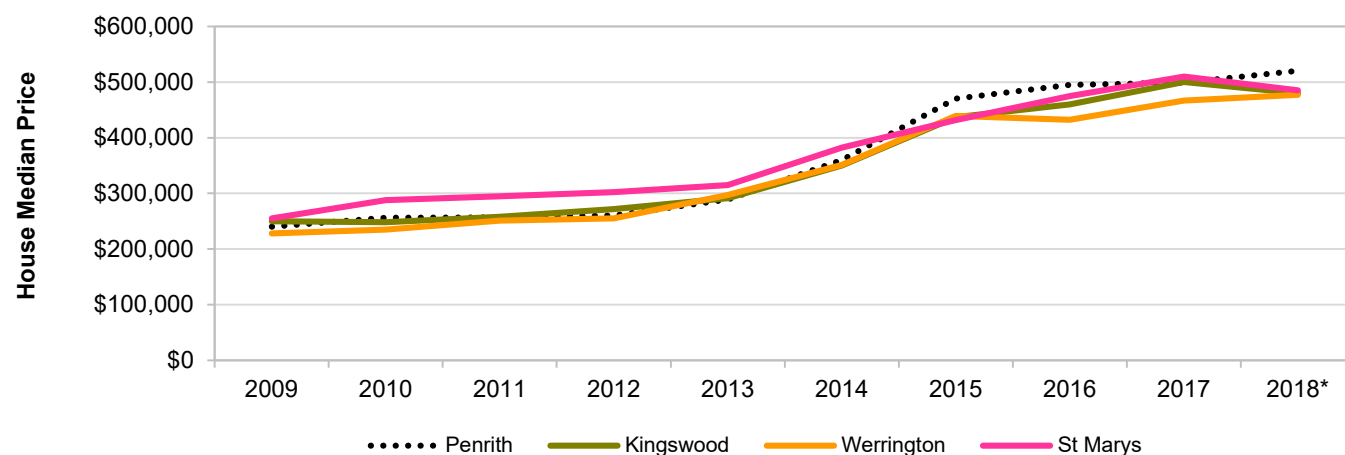
MARKET COMPARISON GRAPH

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

HOUSE MARKET COMPARISON



UNIT MARKET COMPARISON

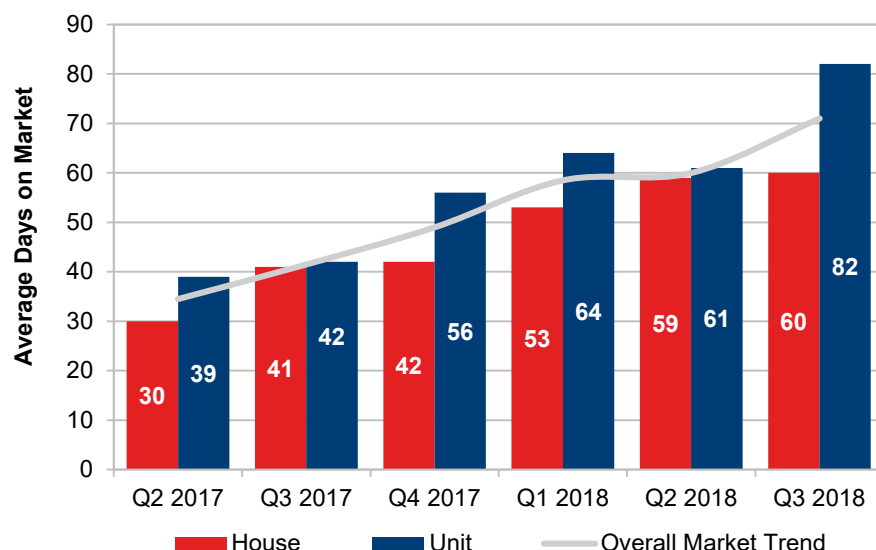


*2018 data represents the Penrith market to Q3 2018 only.

**Penrith market data and key indicators encapsulates aggregate property market conditions in the Local Government Area of Penrith City Council.

Source: APM Pricefinder. © Copyright PRDNationwide 2018.

AVERAGE DAYS ON MARKET**



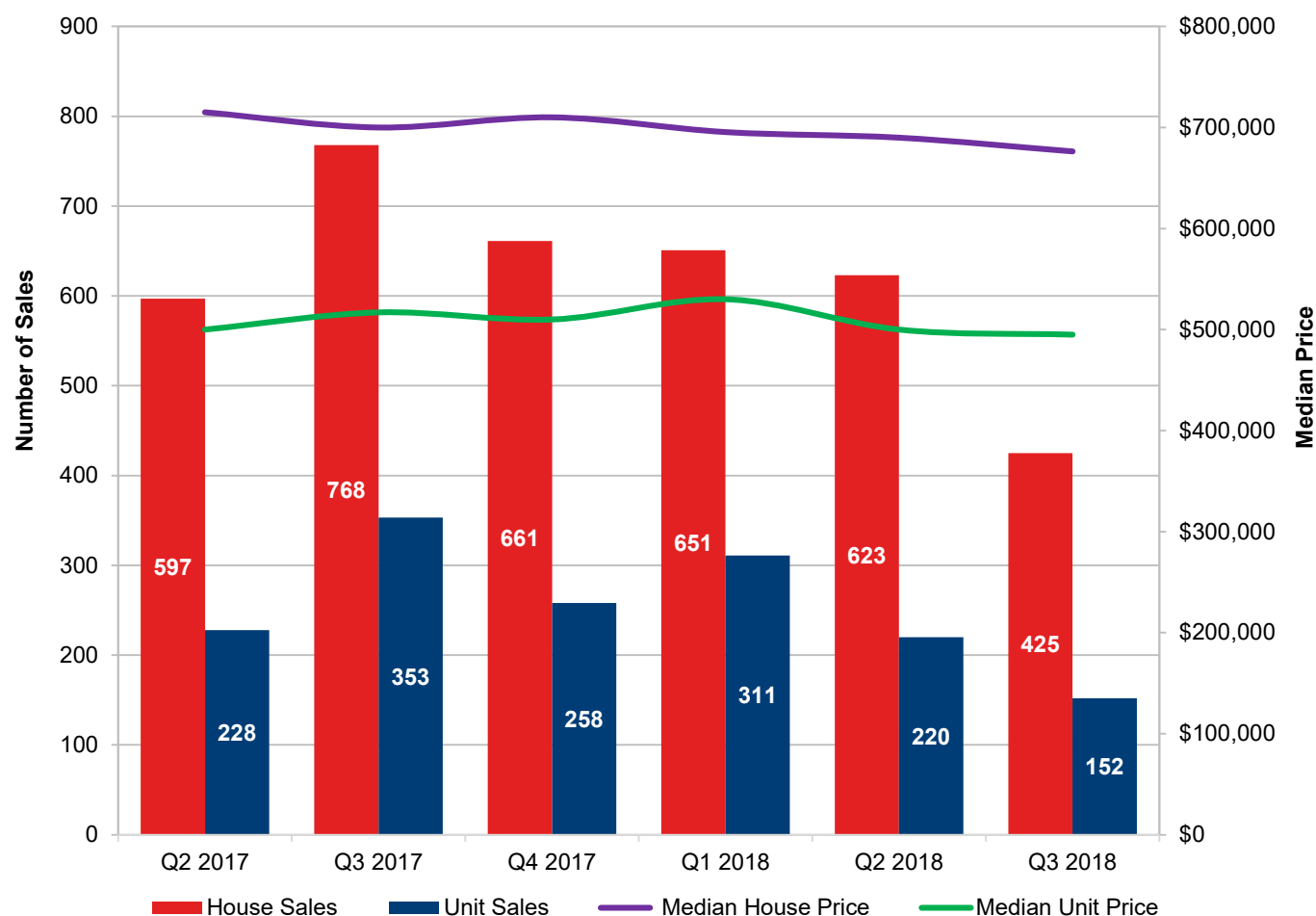
HOUSE KEY FACTS Q3 2018

Median Sale Price: \$676,500
Annual Growth: -3.3%*
Average Days on Market: 60
% Change between First Listed Price and Sold Price: -5.5%

UNIT KEY FACTS Q3 2018

Median Sale Price: \$495,000
Annual Growth: -4.3%*
Average Days on Market: 82
% Change between First Listed Price and Sold Price: -6.4%

SALES AND MEDIAN PRICE**



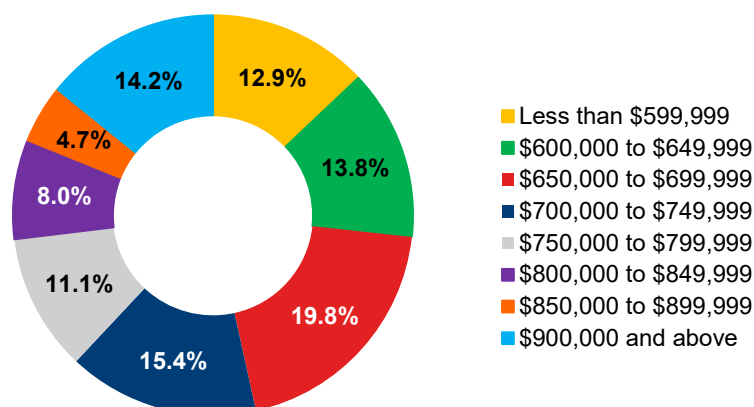
*Annual growth represents price growth for property transactions between Q1 2017 to Q1 2018 (inclusive).

**Penrith market data and key indicators encapsulates aggregate property market conditions in the Local Government Area of Penrith City Council.

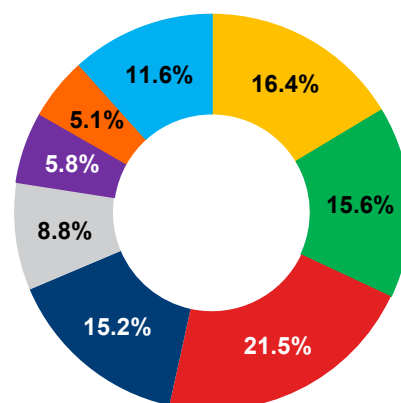
Source: APM Pricefinder, realestate.com.au, SQM Research. © Copyright PRDNationwide 2018.

SALES PRICE POINT COMPARATIVE ANALYSIS*

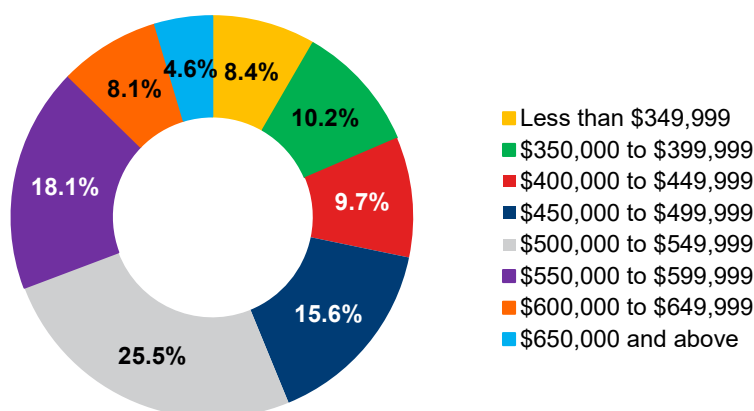
HOUSE PRICE POINT 2017



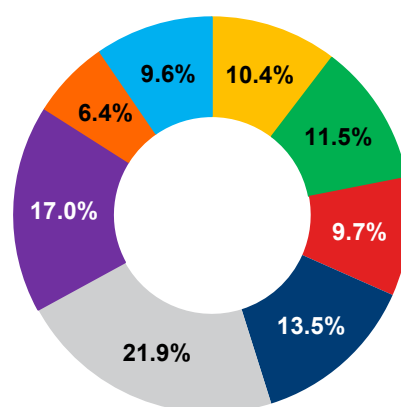
HOUSE PRICE POINT 2018



UNIT PRICE POINT 2017



UNIT PRICE POINT 2018



KEY IMPLICATIONS - HOUSE

The price bracket \$650K - \$700K continued to remain dominant across both 2017 and 2018, increasing from 19.8% to 21.5% of all house sales. The most significant shift in price brackets occurred in houses priced below \$600K, increasing to 16.4% of total sales in Penrith*.

While most price brackets experienced relatively small shifts, houses priced above \$700K shifted from a total of 53.4% of all sales in 2017 to 46.2% in 2018. In contrast, those prices below \$650K moved from a total of 26.7% in 2017 to 32.0% in 2018*. This signals there is increasing affordability in the house market, making now an ideal time for first home buyers to buy in Penrith*.

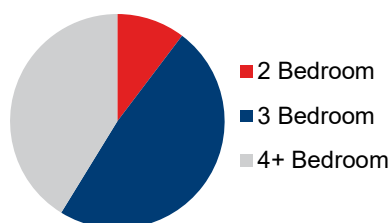
KEY IMPLICATIONS - UNIT

In 2018* the dominant price bracket for unit sales in Penrith* is within the \$500K - \$550K price bracket. However this decreased from 25.5% to 21.9% in 2018. The largest swing occurred in units priced over \$650K, increasing from 4.6% to 9.6% of total sales in 2018.

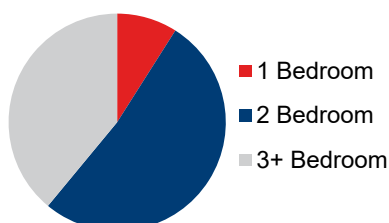
Further analysis reveals total sales growth occurred in units priced below \$400K (+3.3% to 21.9% in 2018*), and above \$600K (+3.3% to 16.0% in 2018*). The middle of the market experienced shrinkage, with sales from \$450K - \$600K declining -6.8% to 62.1% in 2018*. This signals a changing interest in stock, as buyers seem to be either looking for a premium or a more affordable unit.

INVESTMENT ANALYSIS

HOUSE



UNIT



HOUSE KEY FACTS Q3 2018

Median Rent Price: \$450 per week
Rental Yield: 3.0%
Average Days on Market: 26
Bedroom Breakdown:
 2 Bed: 10%, 3 Bed: 48%, 4+ Bed: 41%

UNIT KEY FACTS Q3 2018

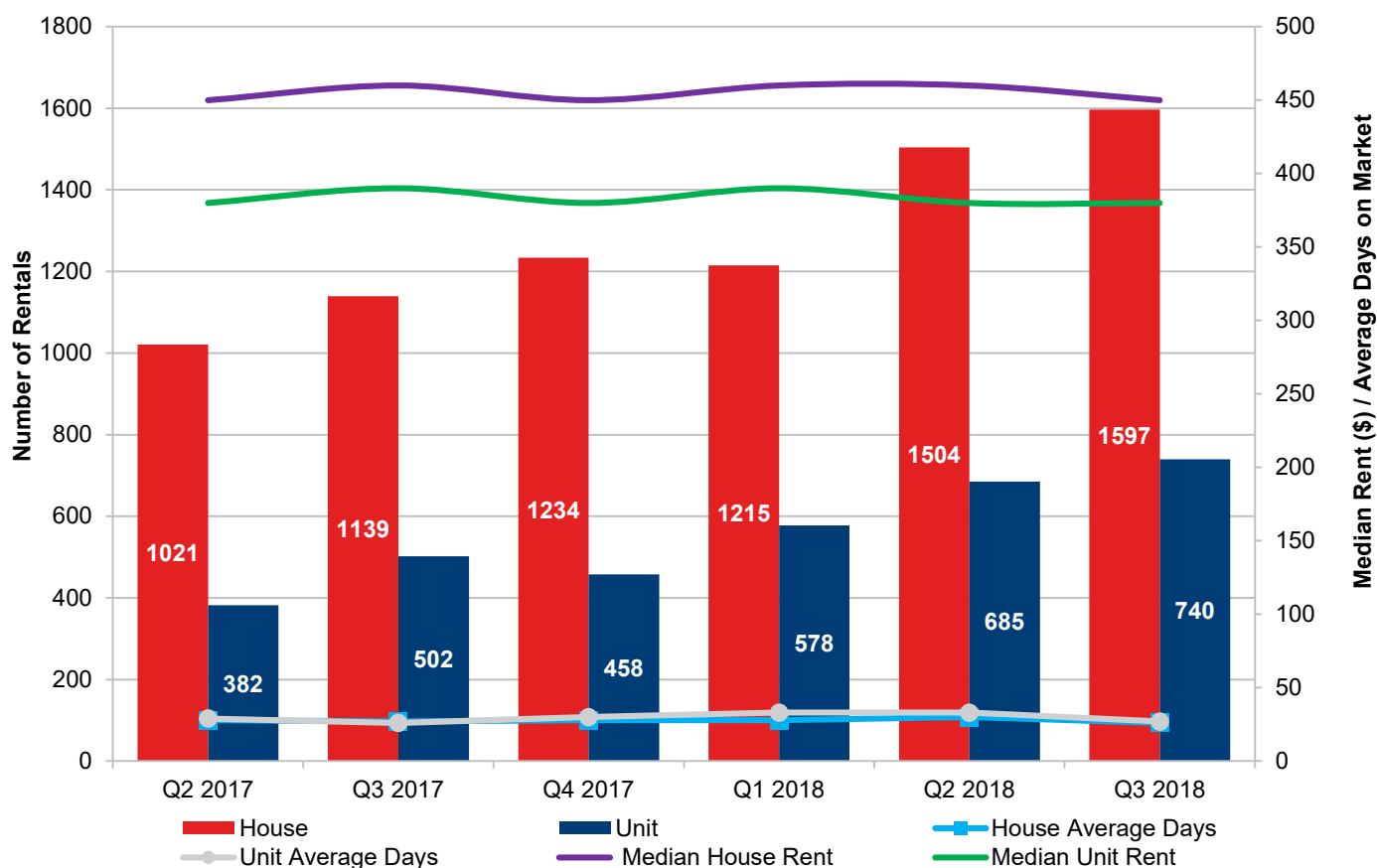
Median Rent Price: \$380 per week
Rental Yield: 3.7%
Average Days on Market: 27
Bedroom Breakdown:
 1 Bed: 9%, 2 Bed: 52%, 3+ Bed: 39%

KEY COMMENTS

Penrith* has seen a slight decline in median rental prices for both houses and units in the past 12 months to Q3 2018, currently at \$450 per week for houses and \$380 per week for units. At the same time, the number of rental properties on the market have strongly increased, by 40.2% for houses and by 47.4% for units. This suggests that demand for rental properties remains strong for both houses and units in Penrith*. Rental yields in Penrith* are performing well, outpacing Sydney Metro for houses at 3.0% and remaining on-par for units at 3.7%. This reveals the continued value available to investors in Penrith*.

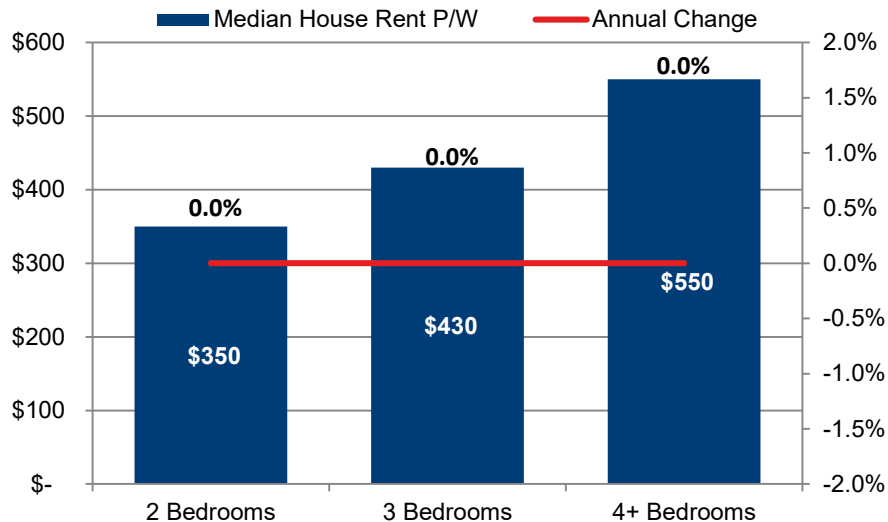


MEDIAN RENT AND AVERAGE DAYS ON MARKET*



*Disclaimer: Penrith market data and key indicators encapsulates aggregate property market conditions in the Local Government Area of Penrith City Council.
 Source: APM Pricerfinder, realestate.com.au, SQM Research. © Copyright PRDnationwide 2018.

RENTAL PERFORMANCE 2018*



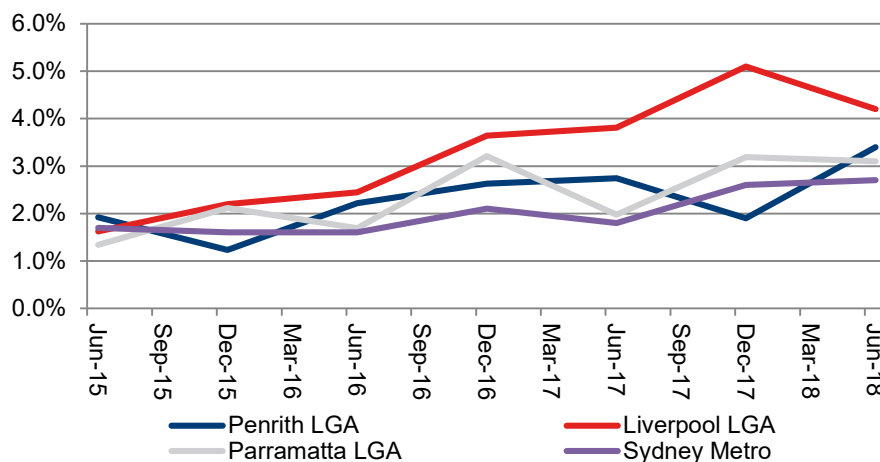
KEY COMMENTS

All house types by bedroom count in Penrith* have produced stable annual rental returns, with three-bedroom houses representing 48.0% of the market and currently returning a median rent of \$430 per week.

Compared to Sydney Metro yields for houses in Penrith* are higher, whereas yields for units are on par. Investors can achieve similar yields with lower entry costs. Rental returns are particularly strong in Werrington.

Penrith LGA vacancy rates were 3.4% in June 2018, up from 1.9% in December 2017. Now is the time for to secure long-term tenants to reduce rental vacancy risks.

VACANCY RATES 2018



RENTAL YIELD 2018

Suburb/ Postcode/ LGA	House Rental Yield	Unit Rental Yield
Werrington	3.3%	3.9%
Kingswood	3.1%	3.8%
Penrith LGA	3.0%	3.7%
Parramatta LGA	2.8%	3.7%
Sydney Metro	2.7%	3.7%

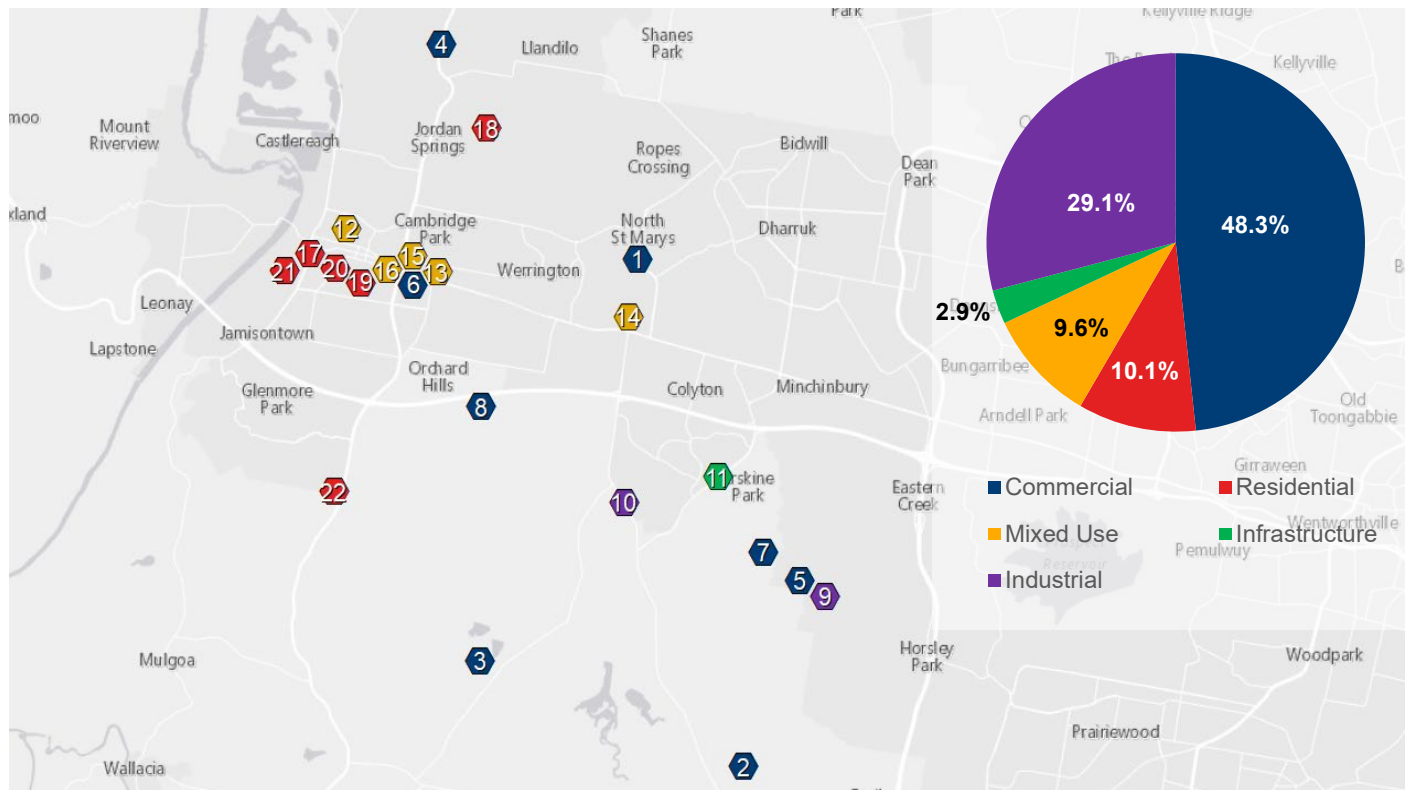
KEY HOUSING DEMOGRAPHICS

	Penrith (Suburb)	Werrington (Suburb)	Kingsford (Suburb)	Penrith LGA	New South Wales
Median weekly rent	\$330	\$330	\$525	\$370	\$380
Family Households	3,128	1,022	3,036	49,777	1,874,524
Single or lone person households	2,003	449	1,178	12,236	620,778
Worked full time	3,931	1,246	3,786	64,237	2,134,521
Worked part time	1,522	473	2,244	25,787	1,071,151
Occupied private dwellings	5,355	1,535	5,404	63,668	2,604,320
Unoccupied private dwellings	504	105	308	3,972	284,741

*Rental performance graph represents aggregate house median rent prices in the Local Government Area of Penrith City Council. Annual change is a comparison between Q1-Q3 2017 and Q1-Q3 2018 median rent figures.

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

PROJECT DEVELOPMENT MAP 2nd HALF 2018*



Location	Project**	Type	Estimated Value***	Commence Date****
1	Western Sydney Inland Container Terminal Facility	Commercial	\$100,000,000	17/12/2018
2	Costco Oakdale South	Commercial	\$77,632,000	16/07/2018
3	Sydney Science Park - Baiada Building	Commercial	\$64,002,000	31/10/2018
4	Jordan Springs - Central Precinct	Commercial	\$38,000,000	22/10/2018
5	Oakdale South – DHL	Commercial	\$35,000,000	01/10/2018
6	Somerset Private Hospital	Commercial	\$29,949,000	30/11/2018
7	Flower Power Warehouses & Offices	Commercial	\$19,715,000	27/08/2018
8	Assistance Dogs Australia Stages 1-2	Commercial	\$10,000,000	16/08/2018
9	Oakdale South Industrial Estate - Precincts 1, 4 & 5	Industrial	\$218,091,000	10/12/2018
10	Mamre West Precinct	Industrial	\$7,340,000	25/09/2018
11	Erskine Park Road	Infrastructure	\$22,405,000	03/09/2018
12	Lord Sheffield Circuit Mixed Use Development - Sheffield Quarter (106 Apartments)	Mixed-Use	\$21,868,000	20/08/2018
13	Somerset Street Mixed Use Development (54 Apartments)	Mixed-Use	\$19,802,000	24/11/2018
14	Queen St Mixed Development (35 Apartments)	Mixed-Use	\$14,708,000	24/07/2018
15	Colless St Mixed Development (51 Apartments)	Mixed-Use	\$10,558,000	17/09/2018
16	Derby St Mixed Development (24 Apartments)	Mixed-Use	\$7,300,000	23/08/2018
17	John Tipping Gr & De Vilnits Pde Apartments (119 Apartments)	Residential	\$21,210,000	23/08/2018
18	Jordan Springs Village – Geneva (80 Units)	Residential	\$16,445,000	12/08/2018
19	Lethbridge St Apartments (66 Apartments)	Residential	\$15,782,000	20/08/2018
20	Fulton St Units - Abode Apartments (39 Units)	Residential	\$9,600,000	16/12/2018
21	Rodley Avenue Units (42 Units)	Residential	\$9,030,000	10/09/2018
22	Bradley Heights Stage 3 (21 Dwellings)	Residential	\$6,030,000	12/11/2018

*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 Local Government Area of Penrith City Council.

***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, Penrith City 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

Darren Latty
Principal

PRDnationwide Penrith
379 High Street
Penrith NSW 2750
Australia

T +61 2 4732 3711
M +61 414 620 532
E darren@prd.net.au

PRD.com.au/penrith

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