



**Sydney**

Affordable & Liveable  
Property Guide

1<sup>st</sup> Half 2019



# SYDNEY AFFORDABLE & LIVEABLE PROPERTY GUIDE

1<sup>ST</sup> HALF 2019

## METHODOLOGY

This affordable and liveable property guide for Sydney analyses all suburbs in the Greater Sydney area, within a 20km radius of the Sydney CBD. The following criteria were considered:

- **Property trends criteria** – all suburbs considered have a minimum of 20 transactions for statistical reliability purposes, with positive price growth between 2017 to 2018/19\*.
- **Investment criteria** – as of December 2018, all suburbs considered will have an on-par or higher rental yield than Sydney Metro, and an on-par or lower vacancy rate.
- **Affordability criteria** – all identified suburbs required a median price below a set threshold. This was determined by adding percentage premiums to the New South Wales (NSW) average home loan, which was \$464,883\*\* as of Q4 2018. Premiums of 165% for houses and 60% for units were added, which were below those required to reach Sydney Metro's median prices (178% for houses and 66% for units). This places the suburbs below Sydney's median prices, meaning that the affordable and liveable suburbs identified within this report are more affordable for buyers.
- **Development criteria** – all suburbs reviewed have a high total estimated value of future project developments for the 1<sup>st</sup> half of 2019, as well as a higher proportion of commercial and infrastructure projects. This ensures suburbs chosen show signs of sustainable economic growth, which in turn has a positive effect on the property market.
- **Liveability criteria** – this included ensuring all suburbs assessed have low crime rates, availability of amenities within a 5km radius (i.e. schools, green spaces, public transport, shopping centres and health care facilities), and an unemployment rate on-par or lower in comparison to the state average (as determined by the Department of Jobs and Small Business, December Quarter 2018 release).

## RECENT TOP PERFORMERS

| Area  | Suburb              | Type  | Median Price 2017 | Median Price 2018/19* | Price Growth | Projects 2019*** |
|-------|---------------------|-------|-------------------|-----------------------|--------------|------------------|
| Inner | Kensington          | House | \$2,700,000       | \$2,836,000           | 5.0%         | \$22.0M          |
|       | Forest Lodge        | Unit  | \$890,000         | \$1,065,000           | 19.7%        | \$25.9M          |
| North | Mosman              | House | \$3,650,000       | \$3,700,000           | 1.4%         | \$19.1M          |
|       | St Leonards         | Unit  | \$900,000         | \$950,000             | 5.6%         | \$382.2M         |
| South | St Peters           | House | \$1,200,000       | \$1,210,000           | 0.8%         | \$20.0M          |
|       | Miranda             | Unit  | \$680,000         | \$685,000             | 0.7%         | \$53.6M          |
| East  | Vaucluse            | House | \$4,750,000       | \$5,075,000           | 6.0%         | \$8.5M           |
|       | Waverley            | Unit  | \$925,000         | \$925,000             | 0.0%         | \$44.3M          |
| West  | Enfield             | House | \$1,176,000       | \$1,330,750           | 13.2%        | \$8.8M           |
|       | Sydney Olympic Park | Unit  | \$772,500         | \$794,985             | 2.9%         | \$696.3M         |

## OVERVIEW

Median property prices in Sydney softened between 2017 to 2018/19\* by -5.3% to \$1,292,000 for houses and by -4.7% to \$773,500 for units. Sales transactions also softened by -4.3% for houses and -9.8% for units over the same period, reflective of the decline in market demand. By comparison, from 2016 to 2017, Sydney median house prices increased by 10.8% and median unit prices grew by 4.0%, as sale transactions fell by -6.3% for both houses and units. The recent price cooling and reduction in activity is great news for first home buyers, as it presents more affordable opportunities to enter the market with reduced competition. An estimated \$4.0B<sup>^</sup> worth of development is set to commence in the 1<sup>st</sup> half of 2019, with equal focus on commercial, residential and infrastructure projects. This will stimulate more commercial activity in Sydney as well as improve liveability aspects for residents, which is expected to have a positive spill-over effect on the property market for the rest of 2019.

## KEY MARKET INDICATORS SYDNEY METRO

| Indicator          | Market Variation <sup>^</sup> |
|--------------------|-------------------------------|
| House Sales        | ↓                             |
| House Median Price | ↓                             |
| House Median Rent  | ↓                             |
| Unit Sales         | ↓                             |
| Unit Median Price  | ↓                             |
| Unit Median Rent   | ↔                             |

## KEY COMMENTS

Over the past 12 months (to December 2018), the proportion of income which is required to meet home loan repayments decreased by 2.9% in NSW. This has encouraged new buyers to enter the market, with the number of first home buyers increasing 1.7% over the same period.

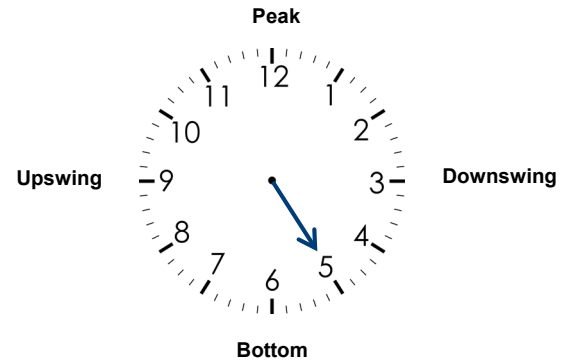
Affordable house suburbs (those with a maximum property sale price of the NSW state average home loan, plus a 160% premium as quoted in the *2<sup>nd</sup> Half 2018<sup>μ</sup>* report) still exist. 75 suburbs recorded median house prices in this bracket, which is encouraging news for first home buyers in Sydney.

Despite this, many of these suburbs fail to meet liveability criteria. Premiums of 165% for houses and 60% for units needed to be added to the average NSW home loan in order to satisfy the liveability criteria. For houses, Panania continues to hold its position as an affordable and liveable suburb from the *1<sup>st</sup> Half 2018<sup>μ</sup>* and *2<sup>nd</sup> Half 2018<sup>μ</sup>* reports, whilst for units, Peakhurst and Hurstville also continue to hold their respective positions as affordable and liveable suburbs as previously identified in the *2<sup>nd</sup> Half 2018<sup>μ</sup>* report. Other previous affordable and liveable suburbs have either failed to meet liveability criteria, or are now considered to be unaffordable due to capital growth.

<sup>μ</sup>Median price quoted captures sale transactions from 1<sup>st</sup> January 2018 to 31<sup>st</sup> March 2019, or Q1 2018 – Q1 2019. <sup>\*\*</sup>Average home loan figure is derived from December quarter 2018 Housing Affordability Report by Real Estate Institute of Australia and Adelaide Bank. <sup>\*\*\*</sup>Project development is based on aggregate of estimated construction value for residential, commercial, industrial, mixed use and infrastructure projects scheduled to commence in the 1<sup>st</sup> half of 2019 as stated by the relevant data authority. <sup>^</sup>Key market indicators for sales are reflective of median price change between 2017 and 2018/19 (2018/19 data being up to end of Q1 2019). Median rent is reflective of median price change between Q3 2017 and Q4 2018. <sup>μ</sup> PRDNationwide Affordable and Liveable Property Guide Sydney 1<sup>st</sup> Half 2018 report. <sup>ν</sup> PRDNationwide Affordable and Liveable Property Guide Sydney 2<sup>nd</sup> Half 2018 report. Source: APM Pricerfinder, Real Estate Institute of Australia, SQM Research, Cordell Connect, Department of Jobs and Small Business. © Copyright PRDNationwide 2019.

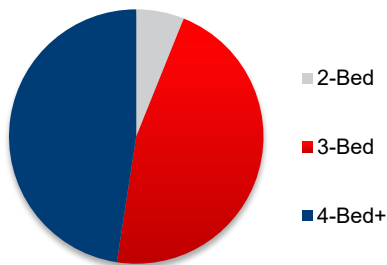


## PROPERTY CLOCK – HOUSES



## AFFORDABLE & LIVEABLE HOUSE SUBURBS

### PANANIA 2213



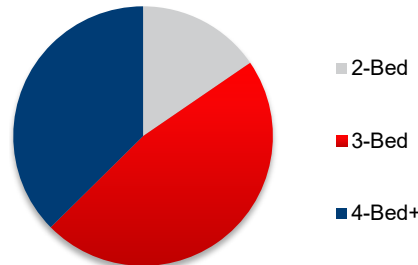
Located in an approximate radius of **20.5km** from the Sydney CBD.

Median House Price **\$930,000**

- 2-Bed Median Price **\$822,500**
- 3-Bed Median Price **\$910,000**
- 4-Bed+ Median Price **\$1,057,500**

Panania, found in Sydney's south-west, continues with its status as an affordable and liveable suburb from both the *1<sup>st</sup> Half 2018<sup>u</sup>* and *2<sup>nd</sup> Half 2018<sup>z</sup>* reports. Its median house price softened by -4.4% since the *2<sup>nd</sup> Half 2018<sup>z</sup>* report, making now an ideal time for buyers to act. Panania has a full range of amenities, and is home to the Western Sydney University. Low vacancy rates of 1.9% and a healthy average yield of 3.4% mean Panania is an investor's market. Projects commencing in the 1<sup>st</sup> half of 2019 such as the Lambeth Street Mixed-Use Development (\$2.5M<sup>^</sup>) will ensure economic stimulation, creating local jobs and new homes.

### BEXLEY 2207



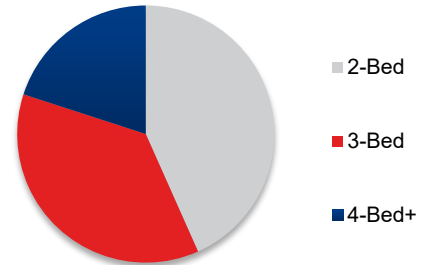
Located in an approximate radius of **11.1km** from the Sydney CBD.

Median House Price **\$1,250,000**

- 2-Bed Median Price **\$1,025,000\***
- 3-Bed Median Price **\$1,047,500**
- 4-Bed+ Median Price **\$1,253,500**

Located to the south of Sydney's CBD, Bexley is a suburb containing a range of different property types, and ticks all the boxes for key liveability criteria. A low local unemployment rate of 3.6% is a positive contributor for the area, as is a crime rate of 41.2%, which is below the NSW average. Investors can benefit from average yields of 3.0% and a 3.3% vacancy rate as of December 2018. These are investment indicators which are healthier than the Sydney Metro area. In addition, a total of \$15.5M<sup>^</sup> in development in the 1<sup>st</sup> half of 2019 will focus on mixed-use projects, which will further enhance the liveability of the suburb and provide more local employment.

### ST PETERS 2044



Located in an approximate radius of **5.1km** from the Sydney CBD.

Median House Price **\$1,200,000**

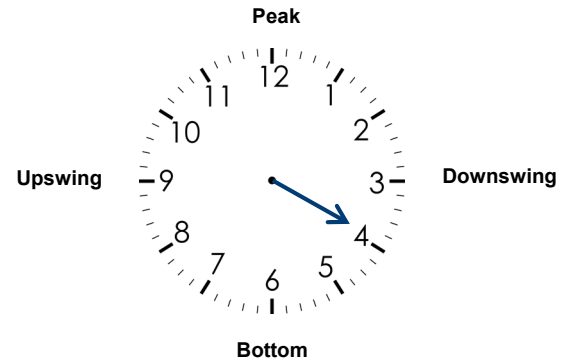
- 2-Bed Median Price **\$1,110,000\***
- 3-Bed Median Price **\$1,247,500\***
- 4-Bed+ Median Price **\$1,510,000\***

St Peters also featured as an affordable and liveable suburb in the 1<sup>st</sup> half of 2019 for Sydney's southern housing market. The suburb has defied the softening price trends by recording a median price growth of +0.8% from 2017 to 2018/19<sup>\*\*</sup>. Healthy rental yields of 3.3% make the suburb worthy of consideration for investment, and a range of local amenities including parks, schools and shops ensure the suburb's liveability. Mixed-use and residential developments estimated at approximately \$20.0M<sup>^</sup> will commence in the 1<sup>st</sup> half of 2019, ensuring the local area continues to see sustainable levels of new stock, while increasing commercial activity.

\*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. \*\*Median price is quoted as an indication only due to having less than 20 sales transactions. \*\*Median price growth quoted captures sale transactions from 1<sup>st</sup> January 2018 to 31<sup>st</sup> March 2019, or Q1 2018 – Q1 2019.  
<sup>u</sup> PRDnationwide Affordable and Liveable Property Guide Sydney 1<sup>st</sup> Half 2018 report. <sup>z</sup> PRDnationwide Affordable and Liveable Property Guide Sydney 2<sup>nd</sup> Half 2018 report.  
Source: APM Pricerfinder, SQM Research, Cordell Connect, Department of Jobs and Small Business, Google Maps. © Copyright PRDnationwide 2019.

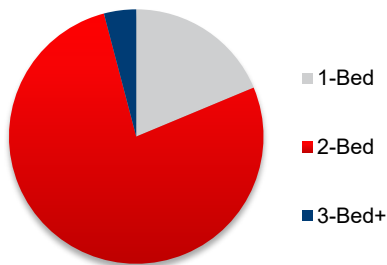


## PROPERTY CLOCK – UNITS



## AFFORDABLE & LIVEABLE UNIT SUBURBS

### ROCKDALE 2216



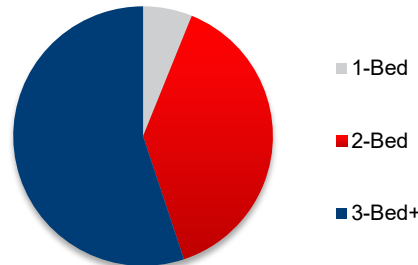
Located in an approximate radius of **10.9km** from the Sydney CBD.

Median House Price **\$640,000**

- 1-Bed Median Price **\$570,000**
- 2-Bed Median Price **\$646,500**
- 3-Bed+ Median Price **\$692,000\***

As the nearest to the Sydney CBD of the 3 affordable and liveable suburbs for units, Rockdale is also the most affordable of the three. A low vacancy rate of 2.4%, in conjunction with a healthy average unit yield of 4.2%, makes the area ideal for investors to consider. Rockdale's liveability is supported by a range of amenities including public transport, shops and parks. Very low local unemployment of just 2.9% will also be supported by residential, mixed-use and commercial project development commencing in the 1<sup>st</sup> half of 2019, worth \$61.5M<sup>^</sup>. This is expected to further aid in local job creation, benefiting Rockdale locals.

### PEAKHURST 2210



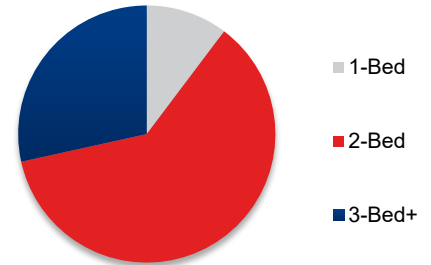
Located in an approximate radius of **16.0km** from the Sydney CBD.

Median House Price **\$700,000**

- 1-Bed Median Price **\$545,000\***
- 2-Bed Median Price **\$642,000\***
- 3-Bed+ Median Price **\$860,000**

Peakhurst is again classified as a affordable and liveable suburb from the *2<sup>nd</sup> Half 2018*<sup>¥</sup> report, and is located in south-western Sydney. With an average yield of 4.3%, it is well above Sydney's average of 3.8%, whilst vacancies also sit below Sydney at 2.7%. Low crime and unemployment levels enhance the suburb's liveability, as does its access to local amenities. Peakhurst also featured a median price growth of +0.5% from 2017 to 2018/2019<sup>\*\*</sup>. Residential projects worth \$18.2M<sup>^</sup> commencing in the 1<sup>st</sup> half of 2019 will add new housing stock to Peakhurst, responding to continued demand from population growth.

### HURSTVILLE 2220



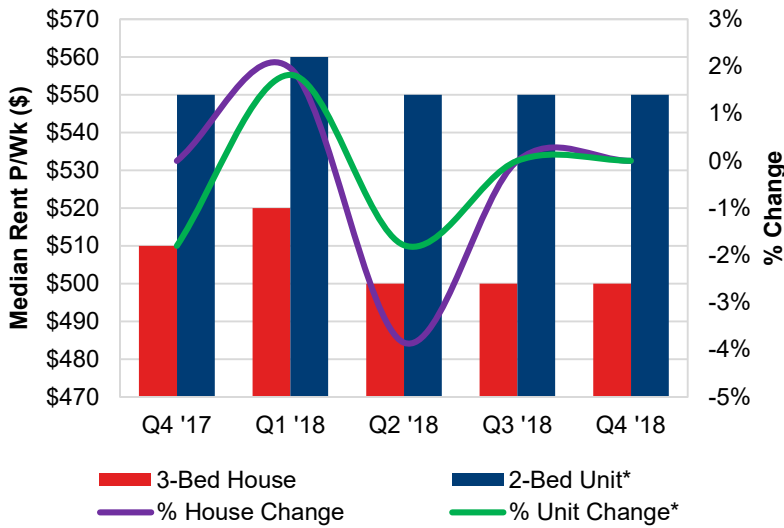
Located in an approximate radius of **13.3km** from the Sydney CBD.

Median House Price **\$708,000**

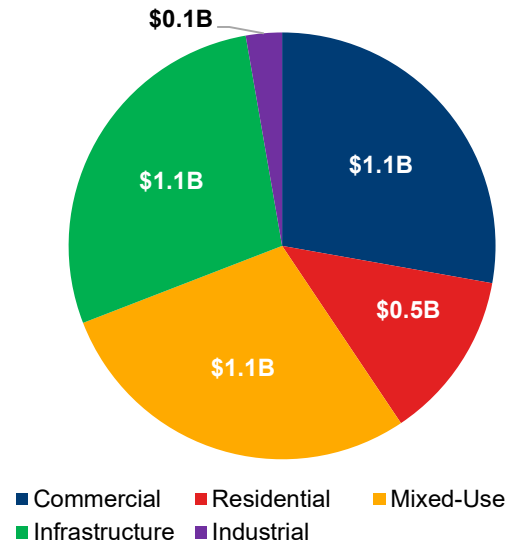
- 1-Bed Median Price **\$540,000**
- 2-Bed Median Price **\$695,000**
- 3-Bed+ Median Price **\$830,000**

Hurstville is again classified as an affordable and liveable suburb from the *2<sup>nd</sup> Half 2018*<sup>¥</sup> report, and is located in Sydney's south-west. Average yields above Sydney of 4.1% and vacancy rates below Sydney at 3.3% should put Hurstville squarely in investor's sights. Low local unemployment (3.6%) and low crime rates enhance Hurstville's liveability, as well as a wide range of facilities including a Westfield shopping centre. Approximately \$90.0M<sup>^</sup> of projects will commence in the 1<sup>st</sup> half of 2019, with high levels of commercial activity helping spur the local economy and create local jobs. This will have a positive spill-over effect on the property market.

## RENTAL MARKET ANALYSIS



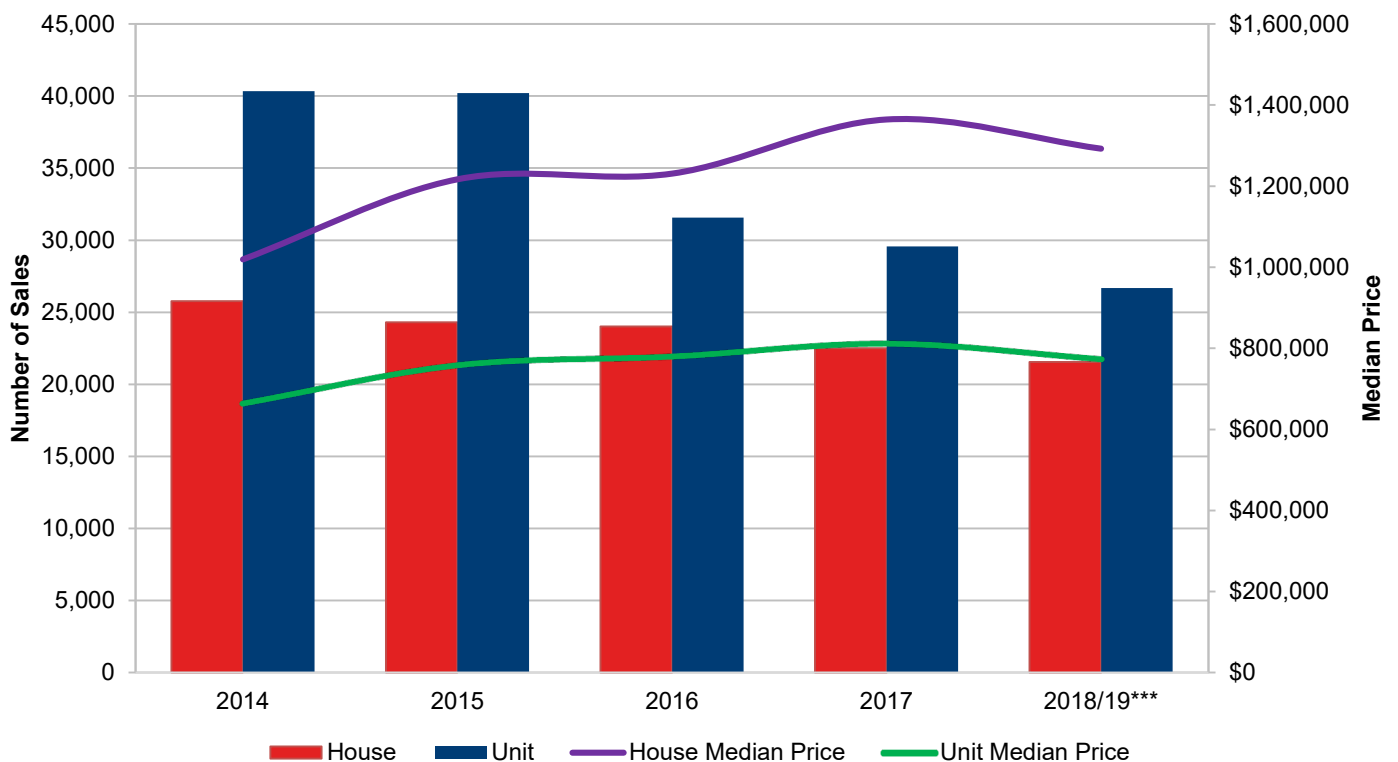
## 1<sup>st</sup> HALF 2019 PROJECTS\*\*



Over Q4 2018, Sydney's rental market recorded a median price of \$500 per week for houses and \$550 per week for units, representing stability in unit rental price growth and a minor softening in median rental price of -2.0%. These fairly stable rental price growth levels were achieved in spite of a 3.6% vacancy rate in December 2018. Average yields of 2.9% for houses and 3.8% for units at the same time are also reflective of the movements in median rental prices in the Sydney Metro area. In fact, houses recorded a slight upward trend in the past 12 months to December 2018, due to a cooling in median property prices. Sydney proves to have a resilient rental market, which is comforting to investors.

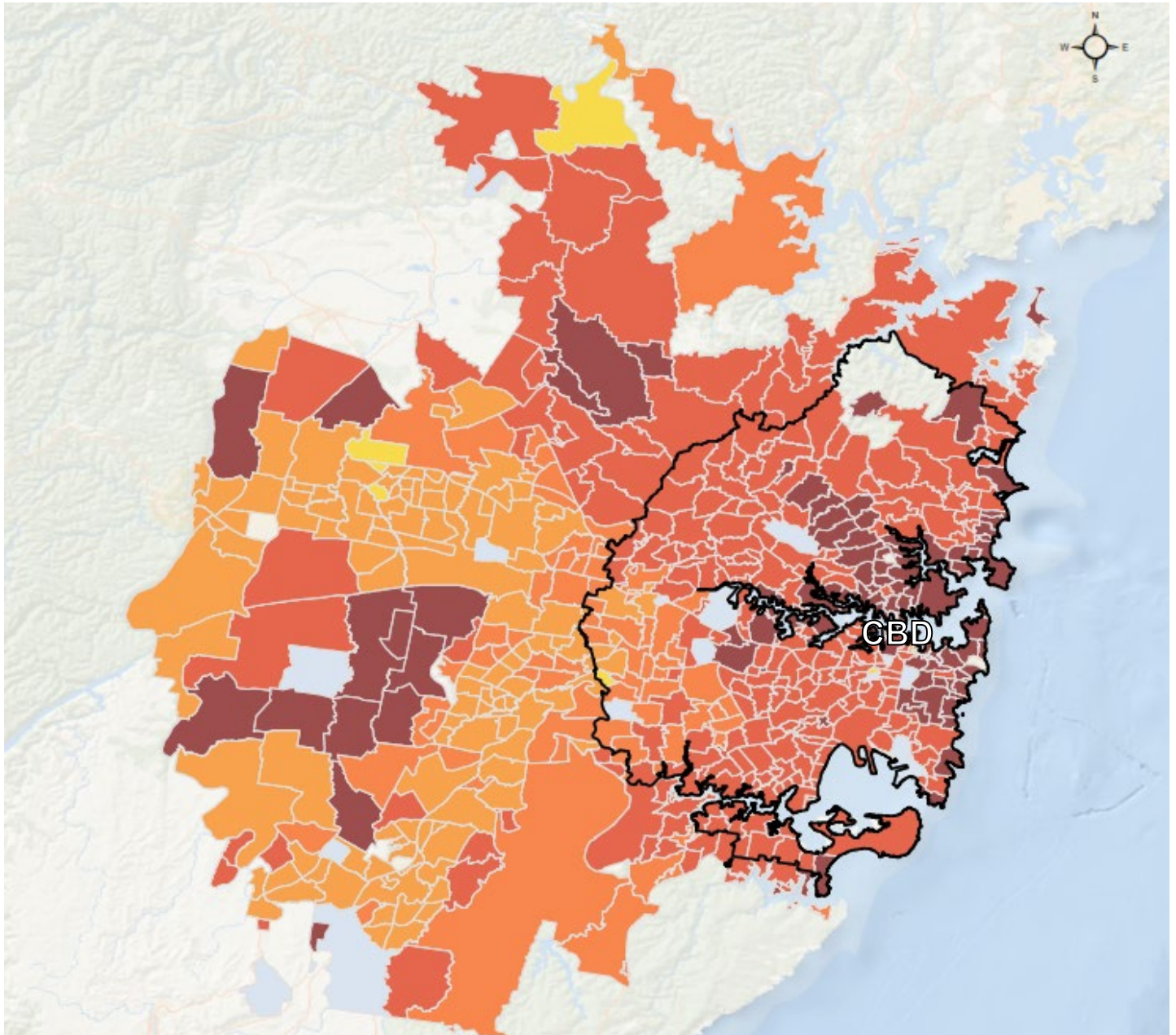
The 1<sup>st</sup> half of 2019 is set to see approx. \$4.0B\*\* of development, with a healthy balance of mixed-use, infrastructure and commercial projects. Key projects include: The Mount Street Commercial Office Building (\$118.4M), and Christie Street Mixed-Use Development "88 by JQZ" (\$255.9M) which will add 654 apartments. A redevelopment of the Concord Repatriation General Hospital (\$341.2M) is an infrastructure project that will construct a 6-storey clinical services building for aged complex care.

## SYDNEY METRO SALES AND MEDIAN PRICE GROWTH



\*Data is based on '2 Bedroom Other Dwellings' figures as per REIA's Real Estate Market Facts December quarter 2018 report and are assumed to be predominantly units. \*\*Quoted project development spending reflects aggregate of estimated values for projects commencing in the 1<sup>st</sup> half of 2019. Quoted estimated value of projects are based on reported land/construction value as stated by the relevant data authority and do not signify commercial/resale value. \*\*\*Median price for 2018/19 captures sale transactions from 1<sup>st</sup> January 2018 to 31<sup>st</sup> March 2019.  
Source: APM Pricefinder, Real Estate Institute of Australia, SQM Research, Cordell Connect. © Copyright PRDnationwide 2019.

## GREATER SYDNEY MEDIAN HOUSE PRICES 2018/19\*



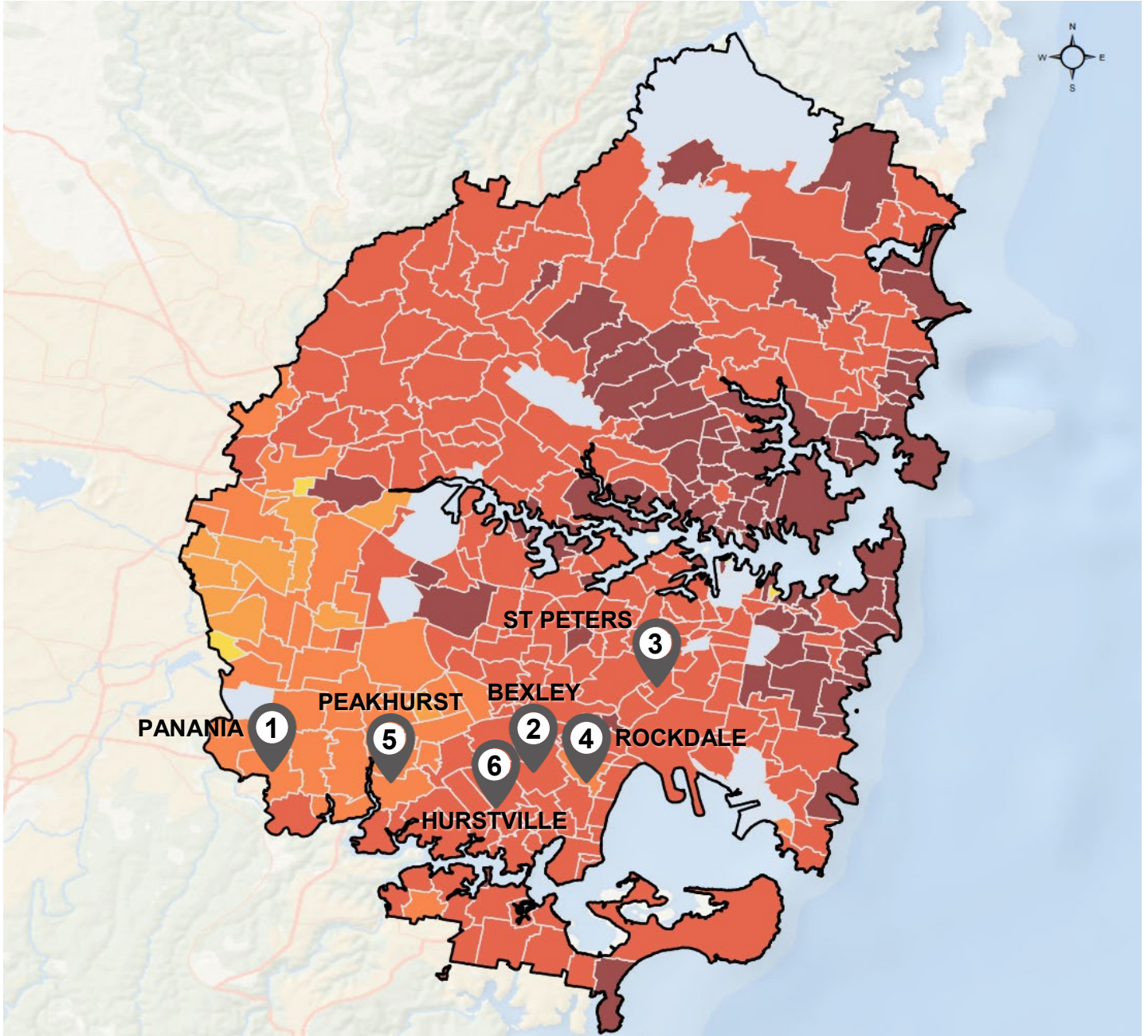
### LEGEND

- Data not available
- \$0 - \$500,000
- \$500,000 - \$800,000
- \$800,000 - \$1,000,000
- \$1,000,000 - \$2,000,000
- \$2,000,000+
- 20km from CBD

| Top 3 Lowest Priced Suburbs**  | Median Price 2018/19** | Project Development*** | Median Rent 2018/19** | Rental Yield |
|--------------------------------|------------------------|------------------------|-----------------------|--------------|
| Granville                      | \$695,000              | \$2,948,000            | \$480                 | 3.2%         |
| Villawood                      | \$701,000              | \$4,470,000            | \$540                 | 2.7%         |
| Fairfield East                 | \$750,000              | –                      | \$455                 | 3.1%         |
| Top 3 Highest Priced Suburbs** | Median Price 2018/19** | Project Development*** | Median Rent 2018/19** | Rental Yield |
| Bellevue Hill                  | \$6,135,000            | \$1,502,000            | \$2,348               | 4.5%         |
| St Leonards                    | \$5,475,298            | \$382,179,000          | \$850                 | 2.6%         |
| Vaucluse                       | \$5,075,000            | \$8,463,000            | \$2,148               | 2.6%         |

\*Median house price reflected in the heat-map captures sale transactions from 1st January 2018 to 31st March 2019. Grey areas represent areas where no recorded sales data could be accessed or due to having less than 20 sales transactions. \*\*Top 3 suburbs identified are located within 20km from the Sydney CBD; suburb median price and median rent figures capture data from 1st January 2018 to 31st March 2019. \*\*\*Project development value is an aggregate of estimated construction value for residential, commercial, industrial, mixed use, and infrastructure projects commencing in the 1st half of 2019; it does not reflect commercial/re-sale value. Source: APM PriceFinder, Cordell Connect, ESRI ArcGIS, SQM Research. © PRDnationwide 2019.

## SYDNEY MEDIAN HOUSE PRICES 2018/19\* – 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+              |
|  | 20km from CBD             |

### SYDNEY AFFORDABLE & LIVEABLE SUBURBS

#### RENTAL YIELD

|   | Suburb    | House |   | Suburb     | Unit |
|---|-----------|-------|---|------------|------|
| 1 | Panania   | 3.4%  | 4 | Rockdale   | 4.2% |
| 2 | Bexley    | 3.0%  | 5 | Peakhurst  | 4.3% |
| 3 | St Peters | 3.3%  | 6 | Hurstville | 4.1% |

# *Sell Smarter!*

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