



Norwest
Market Update
2nd Half 2019



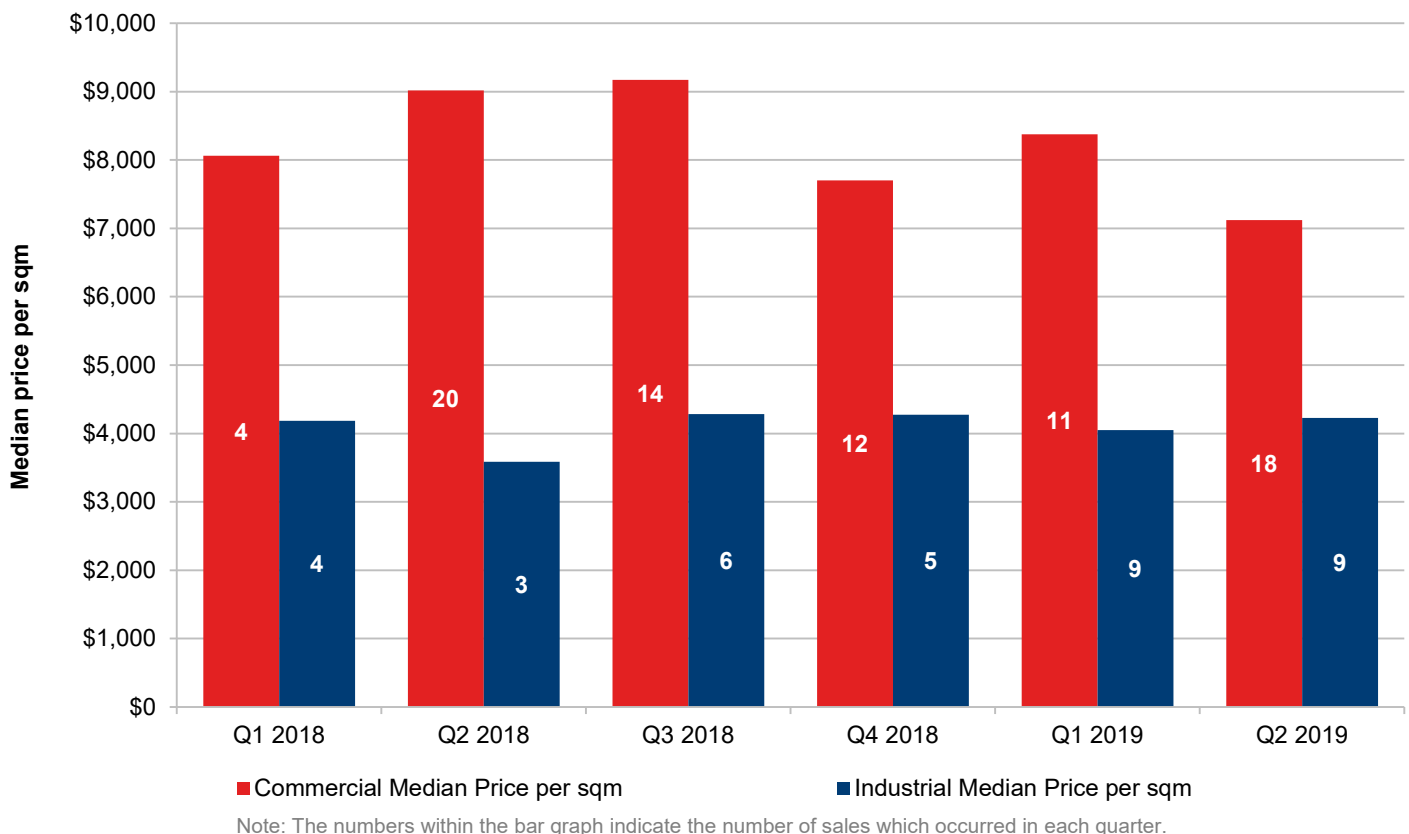
INTRODUCTION

Positioned approximately 30km north-west of Sydney, Norwest is an area which encapsulates the suburbs of Baulkham Hills, Rouse Hill, Castle Hill, and Bella Vista. These suburbs are noted particularly for their commercial precincts, which include office and retail uses, as well as strata industrial properties.

The following report focuses on these property types specifically, reporting and analysing their sales and leasing activity over the past 18 months to end of Q2 2019 (30th June 2019), as well as recent and future development in the area. These elements provide a holistic understanding of the state of the Norwest commercial and industrial property markets.



SALES – COMMERCIAL & INDUSTRIAL**



KEY COMMENTS

The median sale price for commercial property in Norwest was \$7,122 per sqm as of Q2 2019. This represents a half-yearly (Q4 2018 – Q2 2019) price softening of -7.5%. The variations in median price per sqm are attributed to the various commercial offerings transacted in Norwest* across the period, as well as limited transaction volumes (with a total of 18 commercial sales occurring in Q2 2019). In contrast, the median price per sqm for industrial properties reflected a more stable trend, at \$4,225 per sqm during Q2 2019. This represents a half-yearly price softening of -1.2%. Sales of industrial properties have increased by +80.0% between Q4 2018 - Q2 2019, whilst commercial sales increased +50.0% over the same period. Despite relatively low sales volumes in both markets, there is evidently a growing preference for industrial property stock in Norwest*.

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

**Commercial sales are located within the suburbs Baulkham Hills and Bella Vista. Industrial sales are located within the suburbs Rouse Hill and Castle Hill. Sales data is representative of a limited number of overall transactions within a period and is not exhaustive. Sales have been selected based on comparability in terms of size, age, and location within Norwest.

Source: APM Pricerfinder, realcommercial.com.au. © Copyright PRDnationwide 2019.

COMMERCIAL RECENT SALES*

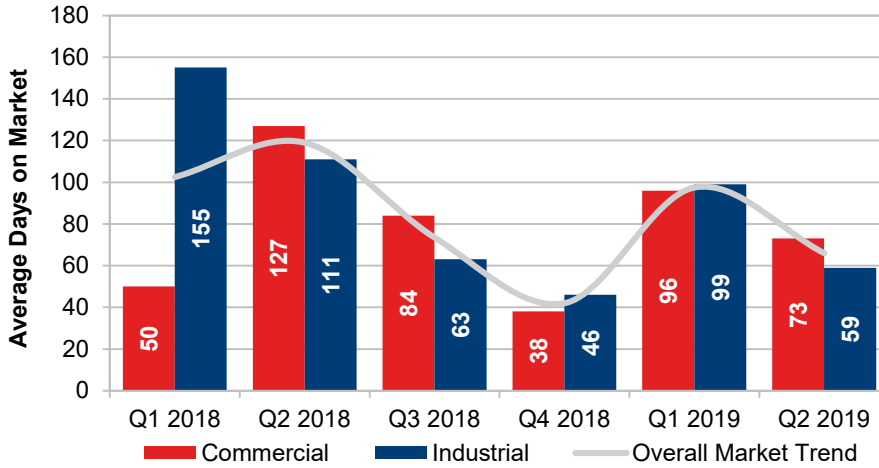
Property Address	Sale Price	Area (sqm)	Price per sqm	Sale Date
126/24-32 Lexington Drive, Bella Vista	\$929,600	112	\$8,300	Jan-19
206/20 B Lexington Drive, Bella Vista	\$600,000	71	\$8,451	Jan-19
116/33 Lexington Drive, Bella Vista	\$2,419,386	301	\$8,038	Feb-19
408/33 Lexington Drive, Bella Vista	\$630,000	71	\$8,873	Mar-19
210/33 Lexington Drive, Bella Vista	\$560,000	88	\$6,364	Mar-19
303/10 Century Circuit, Baulkham Hills	\$735,000	86	\$8,547	Mar-19
104/8 Century Circuit, Baulkham Hills	\$1,045,000	123	\$8,496	Mar-19
321/4 Columbia Court, Baulkham Hills	\$480,000	55	\$8,727	Apr-19
211/33 Lexington Drive, Bella Vista	\$1,050,000	147	\$7,143	May-19
116/20a Lexington Drive, Bella Vista	\$520,000	57	\$9,123	May-19

INDUSTRIAL RECENT SALES*

Property Address	Sale Price	Area (sqm)	Price per sqm	Sale Date
52/9 Hoyle Avenue, Castle Hill	\$1,150,000	269	\$4,275	Dec-18
15/10 Gladstone Road, Castle Hill	\$610,000	150	\$4,067	Feb-19
40/9 Salisbury Road, Castle Hill	\$1,166,000	289	\$4,035	Mar-19
41/9 Hoyle Avenue, Castle Hill	\$1,070,000	257	\$4,163	Mar-19
8/320A Annangrove Road, Rouse Hill	\$360,800	100	\$3,608	Mar-19
21/589 Withers Road, Rouse Hill	\$740,000	190	\$3,895	Apr-19
12/9 Salisbury Road, Castle Hill	\$585,000	108	\$5,417	Apr-19
2/10 Gladstone Road, Castle Hill	\$640,000	128	\$5,000	May-19
8/9 Packard Avenue, Castle Hill	\$1,934,400	608	\$3,182	May-19
120/7 Hoyle Avenue, Castle Hill	\$730,000	228	\$3,202	Jun-19

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AVERAGE DAYS TO LET



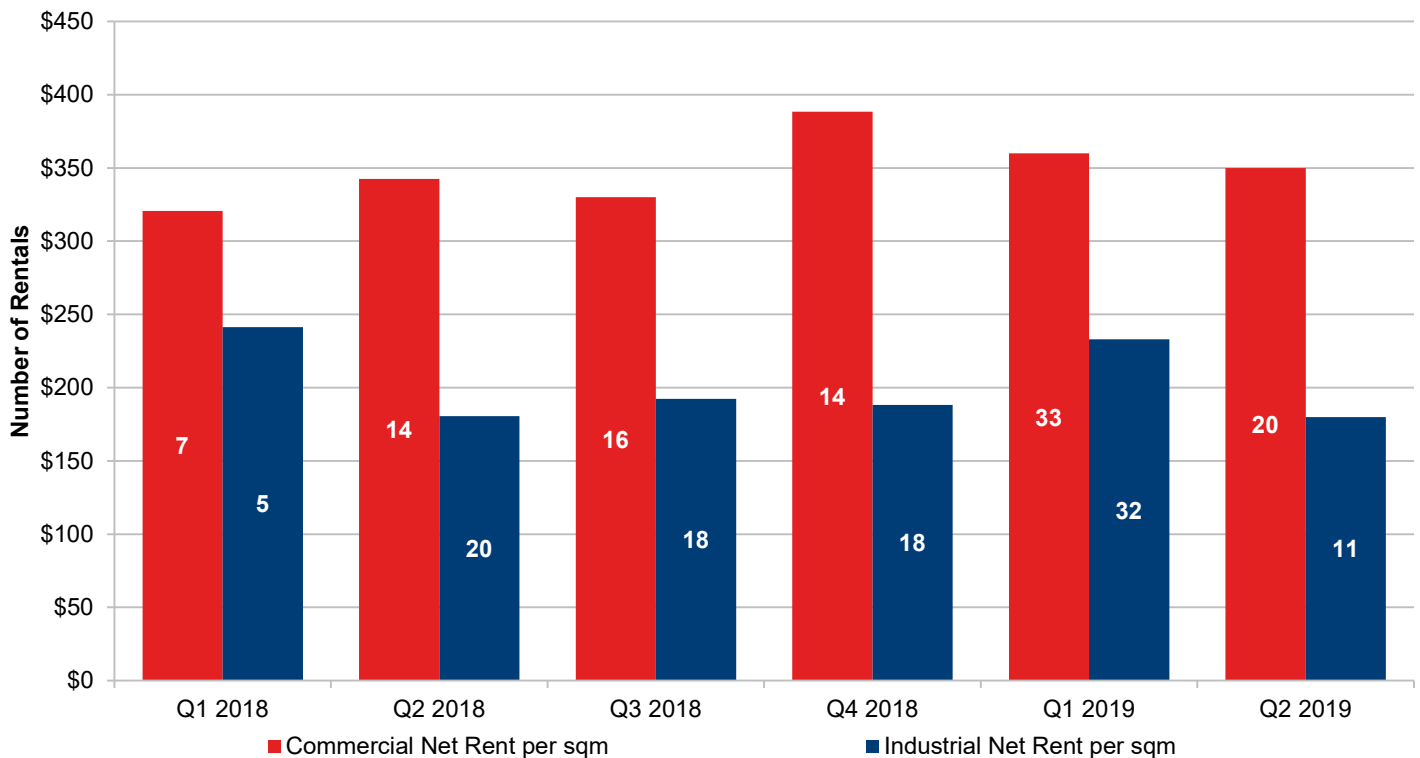
COMMERCIAL FACTS Q2 2019

Median Net Rent per sqm[^]: \$350
 Average Days on Market: 73
 Total Leases: 20
 Gross Leases: 8 (40%)
 Net Leases: 12 (60%)

INDUSTRIAL FACTS Q2 2019

Median Net Rent per sqm[^]: \$180
 Average Days on Market: 59
 Total Leases: 11
 Gross Leases: 4 (36%)
 Net Leases: 7 (64%)

LEASING – COMMERCIAL & INDUSTRIAL**



Note: The numbers within the bar graph indicate the number of rentals which occurred in each quarter.

KEY COMMENTS

Leasing activity in the commercial sector in Norwest* increased over the six months to Q2 2019, by +42.9%. At the same time, the industrial market in Norwest* slowed, with total leasing activity across softening by a similar -38.9% across this period. A median price of \$350 per sqm was recorded for commercial leases in Norwest* across Q2 2019, whilst industrial properties recorded a median price of \$180 per sqm over the same period. The preferred lease type for both commercial and industrial leases in Norwest* was a net lease agreement, with 60% of commercial transactions and 64% of industrial transactions conducted in this manner. Average days to let increased in the six months to Q2 2019 for both commercial and industrial property types, moving to 73 days for commercial leases and to 59 days for industrial property leases. Overall there appears to be a slight shift in demand towards commercial space in Norwest*, however industrial properties evidently continue to be desired also.

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

**Lease data only encapsulates transactions with sufficient data available to be fully utilised for the purpose of inclusion in the report. Lease data is representative of a limited number of overall transactions within a period and is not exhaustive. Leases have been selected based on comparability in terms of size, age, and location within Norwest.

[^]Median Net per sqm is calculated only on leases where this information was clearly disclosed or determinable from an advertised floor area and net rental amount for the lease.

Source: APM Pricerfinder, realcommercial.com.au. © Copyright PRDnationwide 2019.

COMMERCIAL RECENT LEASES*

Property Address	Rental Value	Lease Type	Area (sqm)	Price per sqm	List Date
A15/24-32 Lexington Drive, Bella Vista	\$21,830	Net	59	\$370	Apr-19
3.04/29-31 Solent Circuit, Baulkham Hills	\$15,000	Gross	32	\$469	May-19
5/8 Old Northern Road, Baulkham Hills	\$12,000	Gross	44	\$273	May-19
2.23/29-31 Lexington Drive, Bella Vista	\$43,750	Gross	125	\$350	May-19
2.04&2.05/10 Century Cct, Baulkham Hills	\$102,240	Net	284	\$360	May-19
1.03/Brookhollow Avenue, Baulkham Hills	\$34,200	Net	95	\$360	May-19
209/33 Lexington Drive, Bella Vista	\$28,000	Net	80	\$350	May-19
2.09/29-31 Lexington Drive, Bella Vista	\$33,950	Net	97	\$350	May-19
6D/5-7 Meridian Place, Bella Vista	\$13,200	Gross	84	\$157	Jun-19
316/33 Lexington Drive, Bella Vista	\$56,000	Net	169	\$331	Jun-19

INDUSTRIAL RECENT LEASES*

Property Address	Rental Value	Lease Type	Area (sqm)	Price per sqm	List Date
10/7 Hoyle Avenue, Castle Hill	\$37,000	Net	200	\$185	Mar-19
Part 4/15-17 Terminus Street, Castle Hill	\$13,000	Gross	25	\$520	Apr-19
43/2 Hoyle Avenue, Castle Hill	\$25,200	Gross	105	\$240	Apr-19
Lot 40/15-17 Terminus Street, Castle Hill	\$2,080	Gross	14	\$149	Apr-19
1/251 Old Northern Road, Castle Hill	\$21,120	Net	67	\$315	Apr-19
7/8 Money Close, Rouse Hill	\$36,720	Net	216	\$170	Apr-19
24/322 Annangrove Road, Rouse Hill	\$52,000	Net	330	\$158	Apr-19
40/9 Salisbury Road, Castle Hill	\$54,989	Net	289	\$190	May-19
18/322 Annangrove Road, Rouse Hill	\$32,850	Net	199	\$165	May-19
35/5-7 Anella Avenue, Castle Hill	\$38,625	Net	169	\$229	Jun-19

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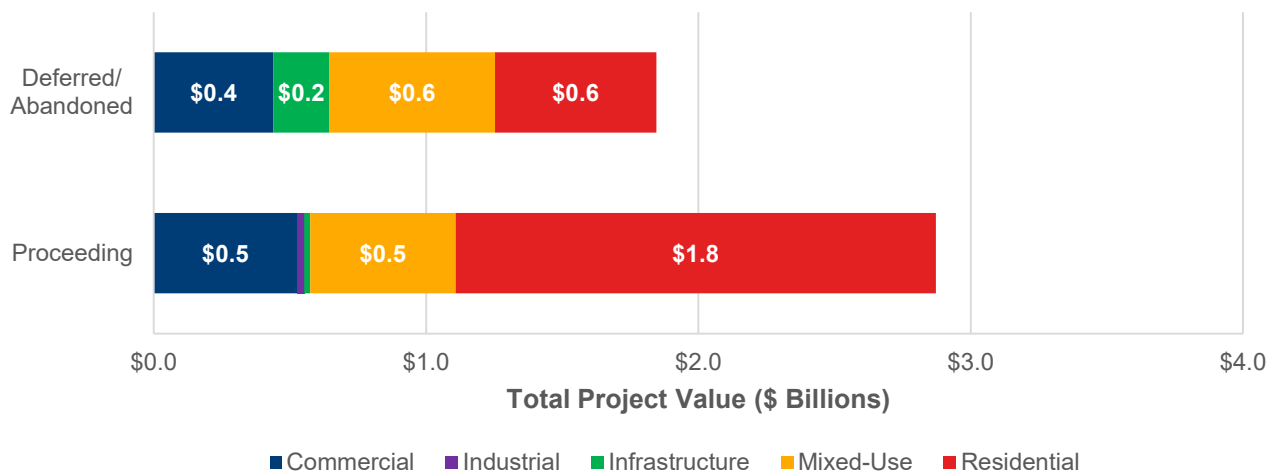
PROJECT DEVELOPMENT

2017 – 2019**

DEVELOPMENT VALUE

The below graph presents the total estimated development value of proceeding versus deferred or abandoned projects in Norwest*, by development type from 2017-2019. The tables further below present project values and number of projects associated with each of the project types for each year.

PROJECT VALUE BY STATUS



PROCEEDING PROJECTS – TOTAL ESTIMATED VALUE#

Year	Commercial	Industrial	Infrastructure	Mixed-Use	Residential	Total
2017	\$91.1M	-	\$11.2M	\$37.9M	\$472.7M	\$612.9M
2018	\$31.5M	-	\$310K	\$109.3M	\$513.8M	\$654.9M
2019	\$403.7M	\$10.5M	\$10.4M	\$386.6M	\$777.1M	\$1.6B

PROCEEDING PROJECTS – ANNUAL BREAKDOWN^

Year	Commercial	Industrial	Infrastructure	Mixed-Use	Residential	Total
2017	6	-	4	2	16	28
2018	13	-	1	2	19	35
2019	18	3	4	5	22	52

KEY COMMENTS

Norwest* is set to benefit from an estimated \$2.6B of development, scheduled to commence between 2017-2019. There are 106 major projects due to commence, which represents 59.9% of the original development pipeline, with approximately \$1.7B (or 40.1%) either deferred or abandoned by developers. There has been a clear focus on increased development activity in the commercial sector, with 17 projects scheduled to commence in 2019, compared to just 12 projects from 2017 and 2018. Deferred or abandoned projects are evident across commercial, mixed-use, and residential projects. However each of these sectors has continued to develop nonetheless, with all showing increases in project value from 2018 to 2019.

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

**2017-2019 dates are based on project Commencement dates obtained for each project and are approximate only, as provided by the relevant data authority. PRDnationwide does not hold any liability to the exact date.

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

^Annual breakdown of projects is presented for proceeding projects in Norwest by development type and year of scheduled commencement.

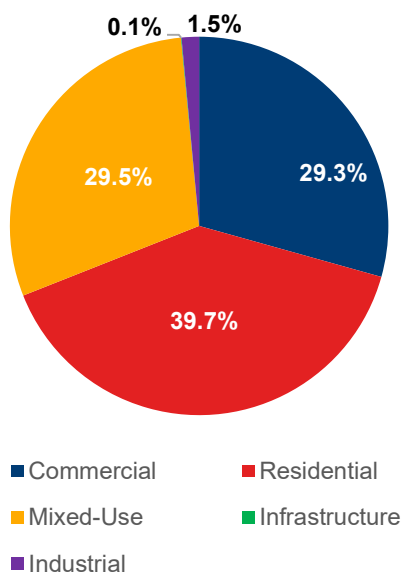
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PROJECT DEVELOPMENT 2ND HALF 2019**

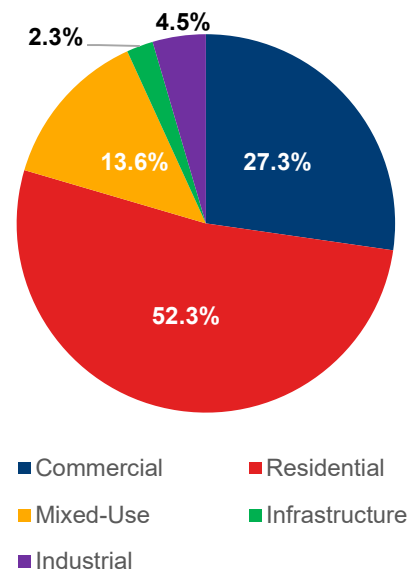
DEVELOPMENT VALUE

The below pie charts represent the proportion of total estimated value of development by type, and the proportion of number of projects by type occurring in Norwest* in the 2nd half of 2019. The table below identifies the underlying figures which makes up total estimated development in this timeframe.

TOTAL PROJECT VALUE



NUMBER OF PROJECTS



PROCEEDING PROJECTS – VALUE BREAKDOWN#^

	Commercial	Industrial	Infrastructure	Mixed-Use	Residential	Total
Project Value	\$394.4M	\$20.0M	\$700K	\$395.9M	\$532.9M	\$1.3B
Total Projects	12	2	1	6	23	44

KEY COMMENTS

A key project in the 2nd half 2019 is the \$200.0M Aveo Norwest Seniors Living Development. This commercial project will complete its remaining stages to construct a total of 449 units within the aged care facility. These remaining stages are set to commence construction from November 2019. Such a project will be a significant contributor to the local economy by creating aged care living options for residents who wish to remain in their communities. In addition, the project will create employment opportunities throughout both the construction stages and its entire lifespan as an aged care facility.

Another major project for Norwest* commencing in the 2nd half of 2019 is the Tallawong Road Mixed-Use Development. Worth an estimated \$244.1M, this mixed-use project will demolish all existing buildings on the site to make way for a total of 9 new buildings, which will add an estimated 630 apartments to the market. The development will comprise of 81 x 1-bedroom, 91 x 1-bedroom plus study, 419 x 2-bedroom, and 35 x 3-bedroom apartments; along with 2 neighbourhood shop tenancies. This project will primarily benefit Norwest* by creating additional housing, to cater for continued local population growth.

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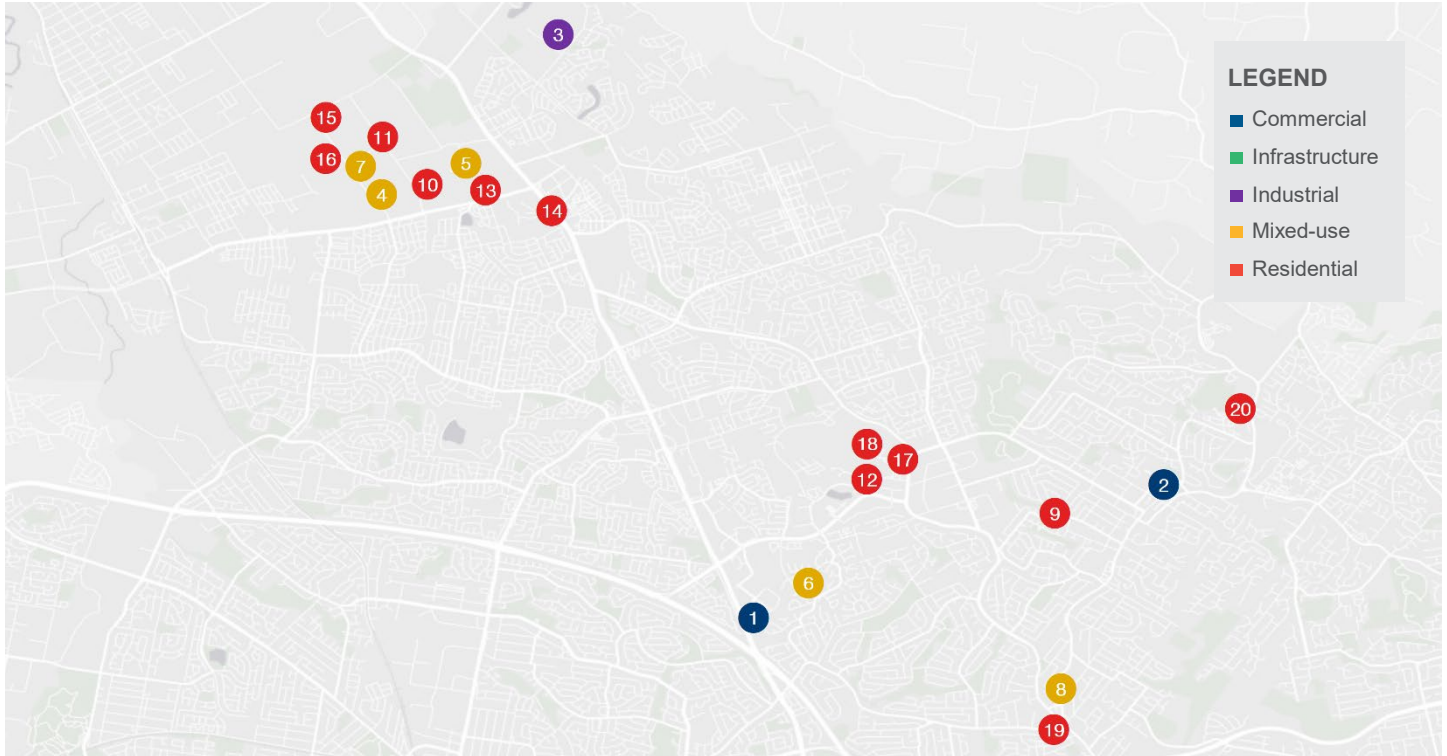
**2nd Half 2019 project dates are based on project Commencement dates obtained for each project and are approximate only, as provided by the relevant data authority. PRDnationwide does not hold any liability to the exact date.

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

^Annual breakdown of projects is presented for proceeding projects in Norwest by development type and year of commencement.

Source: Cordell Connect. © Copyright PRDnationwide 2019.

TOP PROJECT DEVELOPMENTS – 2ND HALF 2019*



Location	Project**	Type	Estimated Value***	Commence Date****	Project Status***	Details
1	Aveo Norwest - Aveo Bella Vista - Overall Project & Remaining Stages	Commercial	\$200,000,000	Nov-19	Possible	Development Approval
2	Castle Towers Stage 1	Commercial	\$164,175,000	Sep-19	Firm	Site Prep in Progress
3	Money Close Industrial Building	Industrial	\$15,000,000	Sep-19	Possible	Tenders
4	Tallawong Road Mixed Use Development (630 Apartments)	Mixed-Use	\$244,078,000	Nov-19	Possible	Development Approval
5	Terry Road Apartments (332 Apartments)	Mixed-Use	\$95,097,000	Sep-19	Possible	Development Approval
6	Bella Vista Dr Mixed Development - The Village Green (13 Townhouses, 23 Apartments)	Mixed-Use	\$23,519,000	Oct-19	Possible	Development Approval
7	Tallawong Road Mixed Use Development (117 Units)	Mixed-Use	\$22,568,000	Dec-19	Possible	Development Approval
8	Old Northern Rd Mixed Use Development (29 Units)	Mixed-Use	\$9,830,000	Nov-19	Possible	Development Approval
9	Fishburn Crescent Apartments (281 Apartments)	Residential	\$89,951,000	Oct-19	Possible	Development Application
10	Cudgegong Road Apartments (295 Apartments)	Residential	\$67,340,000	Dec-19	Possible	Development Approval
11	Cudgegong Road Units Stages 1-3 (201 Units)	Residential	\$60,062,000	Nov-19	Possible	Development Application
12	Ellendale The Orchards (330 Units)	Residential	\$60,000,000	Dec-19	Possible	Tenders
13	Schofields Road Units – Highbury (217 Units)	Residential	\$56,710,000	Oct-19	Possible	Development Approval
14	Rouse Hill Town Centre Northern Expansion Stage 2 (143 Apartments)	Residential	\$36,000,000	Dec-19	Possible	Development Application
15	Tallawong Road Units (115 Units)	Residential	\$28,001,000	Sep-19	Possible	Development Application
16	Tallawong Road Dwellings & Subdivision (66 Dwellings)	Residential	\$20,917,000	Dec-19	Possible	Development Approval
17	Windsor Rd Townhouses (31 Townhouses)	Residential	\$17,500,000	Dec-19	Possible	Contract Let
18	Windsor Road Townhouses (32 Townhouses)	Residential	\$10,883,000	Nov-19	Possible	Development Approval
19	Seven Hills Road Units (19 Units)	Residential	\$8,279,000	Dec-19	Possible	Development Application
20	Old Northern Rd Integrated Dwellings (21 Townhouses, 17 Dwellings)	Residential	\$8,132,000	Oct-19	Early	Rezoning Application

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

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

***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 and status update 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.

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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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