



Penrith
Property Factsheet
1st Half 2019





MARKET CONDITIONS

Penrith* recorded a median house price of \$645,000 in Q1 2019, and a median unit price of \$455,000. This resulted in annual (Q1 2018 – Q1 2019) growth of -7.9% for houses and -13.3% for units. Compared with the *2nd Half 2018 Penrith Research Factsheet*, which reported annual (Q3 2017 – Q3 2018) growth of -3.3% for houses and -4.3% for units, properties in Penrith* have recently become more affordable. This is great news for home buyers seeking to enter the market for the first time and investors who wish to act counter-cyclically in the market.

From 2017 to 2019[^], key suburbs within Penrith* have seen price softening in their median house prices. One of the more resilient markets was Werrington, seeing a softening of just -4.2% in this time to arrive at a median price of \$632,000. Other suburbs saw inferior performance, such as Kingwood, which experienced a price change of -17.9% to \$550,000 over the same period.

Average vendor discounting on properties sold across Penrith* widened over the past 12 months, from -5.1% (house) and -3.7% (unit) in Q1 2018 to -6.9% (house) and -9.9% (unit) in Q1 2019. This represents a significant saving for buyers, given that sellers are now even more willing to negotiate well below their initial list price. Buyers are thus urged to act quickly to capitalise on available savings in Penrith*.

Q1 2019 saw Penrith* sustain a median house rental price of \$440 per week, and its unit market saw a median rental price of \$380 per week. This represents growth of -2.2% and -2.1% for houses and units respectively across the previous 12 months. Penrith's* total rental activity grew notably over this same period, growing by 43.0% for houses and 23.1% for units. This implied increase in demand has been supported by healthy average days to let of 27 days for houses and 30 days for units as of Q1 2019. Average yields of 3.2% (house) and 3.8% (unit) in Penrith* as of December 2018 also offers investors decent returns, with house yield being above Sydney Metro's 2.9% and on-par with its unit yield (also 3.8%).

MEDIAN HOUSE PRICE COMPARISON

Suburb	2017	2018	2019 [^]	2017 - 2019 % Growth
Penrith***	\$715,000	\$696,500	\$610,000	-14.7%
Kingswood	\$670,000	\$715,000	\$550,000	-17.9%
Werrington	\$660,000	\$645,000	\$632,000	-4.2%
St Marys	\$671,000	\$622,000	\$568,750	-15.2%

OVERVIEW

A major centre in its own right, Penrith is located around 50km west of the Sydney CBD within the City of Penrith LGA. The preferred method of sale in Penrith is private treaty, as evidenced through the high volume of sales conducted in this way. Whilst auction sales were fewer, a clearance rate of 65.0% in Penrith* shows sales at auction are also possible.

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

FUTURE DEVELOPMENTS**

An estimated \$905.0M worth of project development is scheduled to commence in the 1st half of 2019 across Penrith*. A strong balance across industrial (28.6% or \$159.2M), infrastructure (26.7% or \$241.7M) and residential projects (26.5% or \$240.1M) is supported by both mixed-use (12.1% or \$109.5M) and commercial (6.0% or \$54.7M) development spending.

Such a large overall volume of spending will encourage economic growth across Penrith* through business and job creation as well as dwelling construction.

A key infrastructure project is Stage 5 of the \$166.7M Northern Road Upgrade, which will create and upgrade around 6.7km of key roads in the Penrith* area.

A major mixed-use project for the period is the Nepean Health Precinct, which will create 87 serviced apartments, 36 units, plus commercial and retail tenancies.

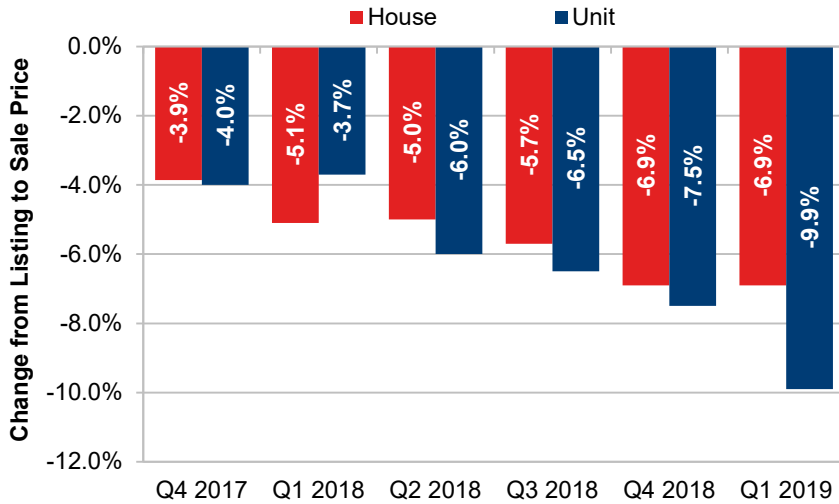
In total, 1,075 apartments/units and 151 dwellings are set to start construction in Penrith* across the 1st half of 2019.

*Penrith market data and key indicators encapsulates aggregate property market conditions in the City of Penrith LGA.

**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.

***Market data quoted refers to market conditions in the suburb of Penrith only. ^2019 data represents sales transactions from 01/01/2019 to 31/03/2019 only. Source: APM Pricefinder, Cordell Connect. © Copyright PRDnationwide 2019.

AVERAGE VENDOR DISCOUNT



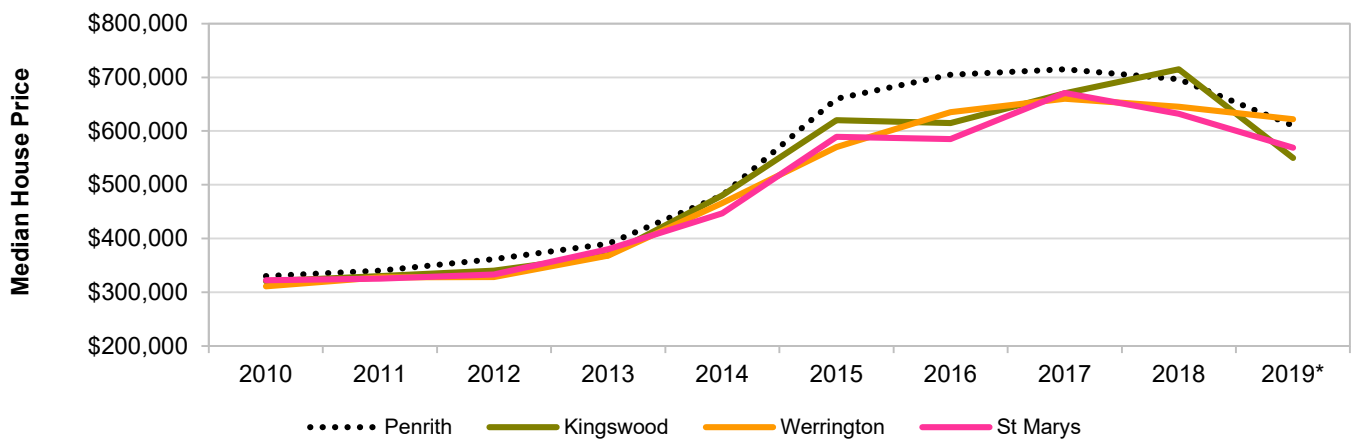
AVERAGE VENDOR DISCOUNT

The average vendor discount reflects the average percentage difference between the first list price and the 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.

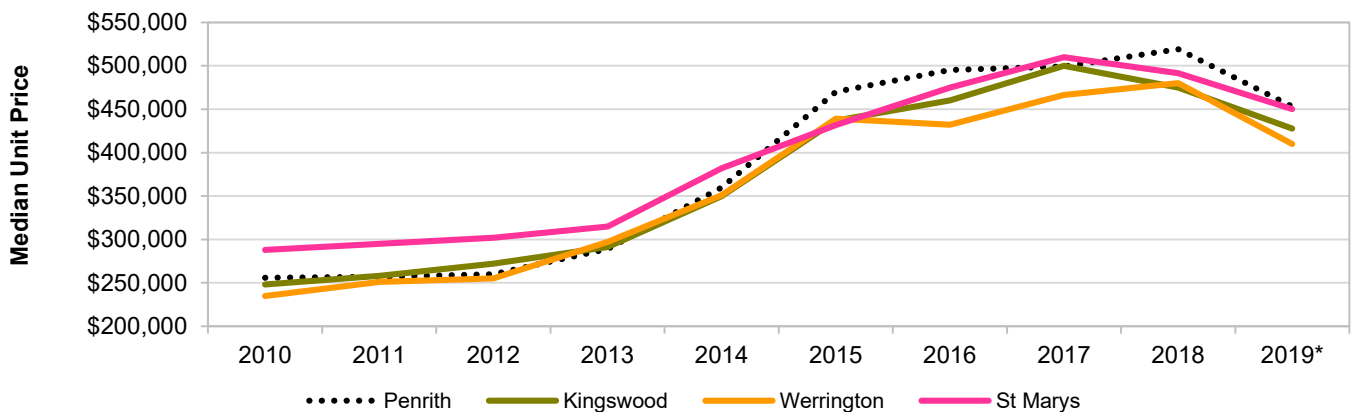
MARKET COMPARISON GRAPH

The market comparison graph provides a comparative trend for the median price of houses and units over the past 10 years. Suburbs profiled are chosen based on their proximity to the main suburb analysed in this Factsheet, which is Penrith. The main suburb is shown as a dotted black line in the graphs below.

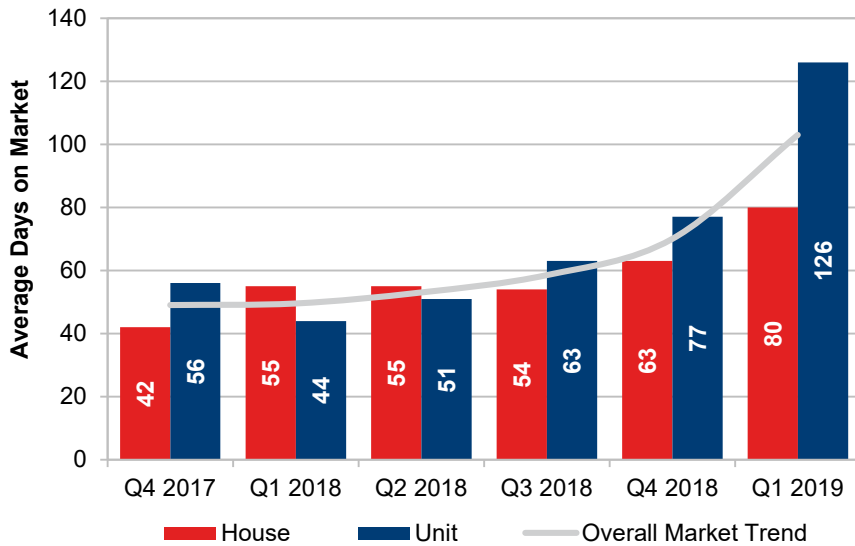
HOUSE MARKET COMPARISON



UNIT MARKET COMPARISON



AVERAGE NUMBER OF DAYS ON THE MARKET**



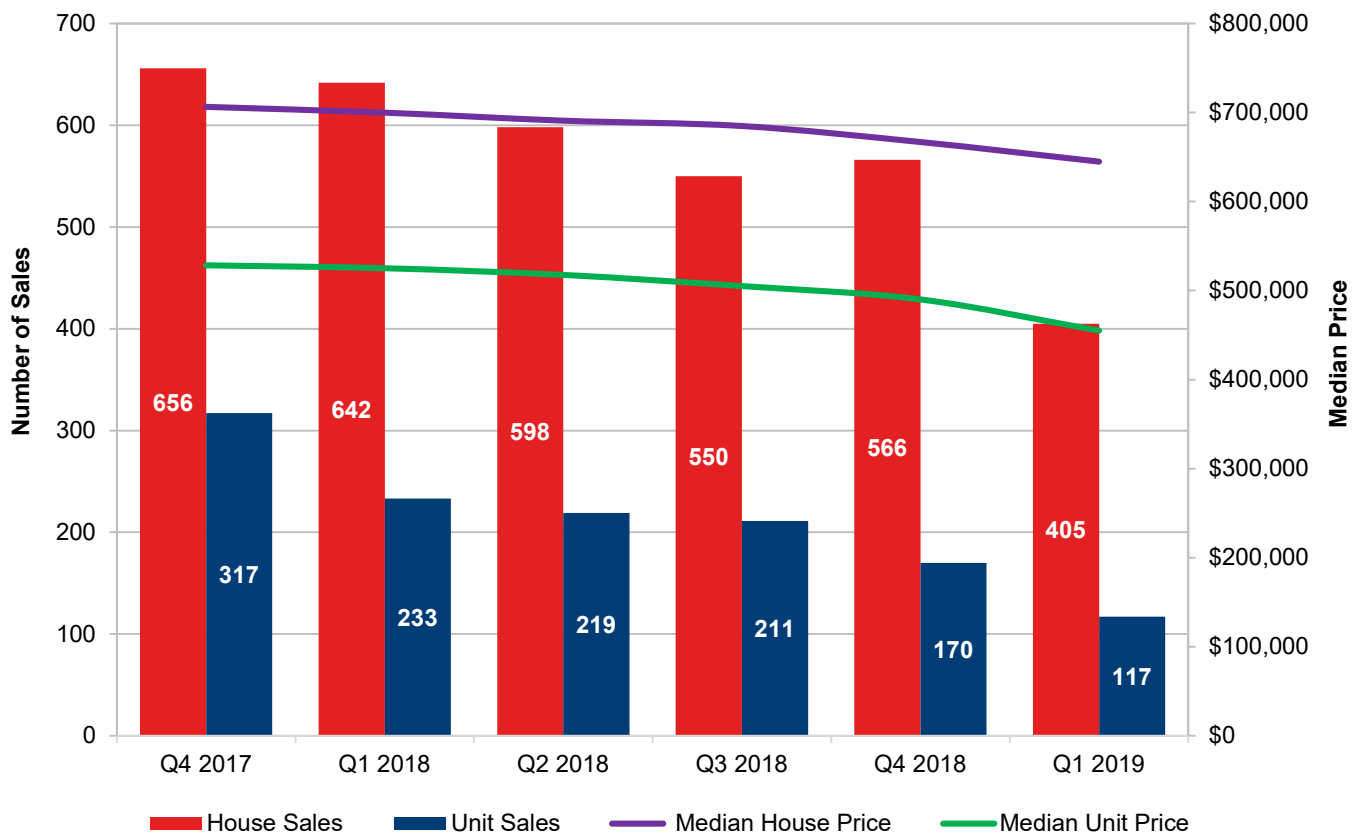
KEY HOUSE FACTS Q1 2019

Median Sale Price: \$645,000
Annual Growth: -7.9%*
Average Days on Market: 80
% Change Between First Listed Price and Sold Price: -6.9%

KEY UNIT FACTS Q1 2019

Median Sale Price: \$455,000
Annual Growth: -13.3%*
Average Days on Market: 126
% Change Between First Listed Price and Sold Price: -9.9%

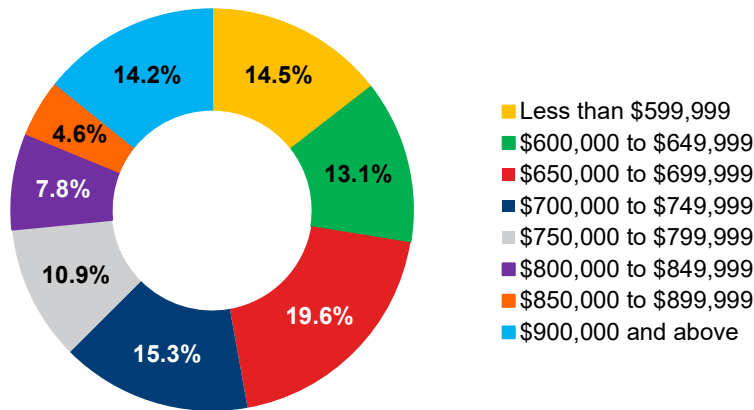
SALES AND MEDIAN PRICES**



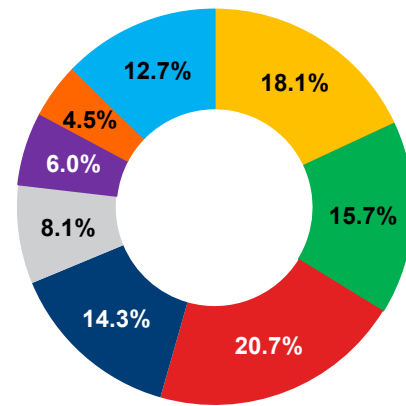
*Annual growth represents price growth for property transactions between Q1 2018 to Q1 2019 (inclusive).
**Penrith market data and key indicators encapsulates aggregate property market conditions in the City of Penrith LGA.
Source: APM Pricer, realestate.com.au, SQM Research. © Copyright PRDnationwide 2019.

SALES PRICE POINT COMPARATIVE ANALYSIS

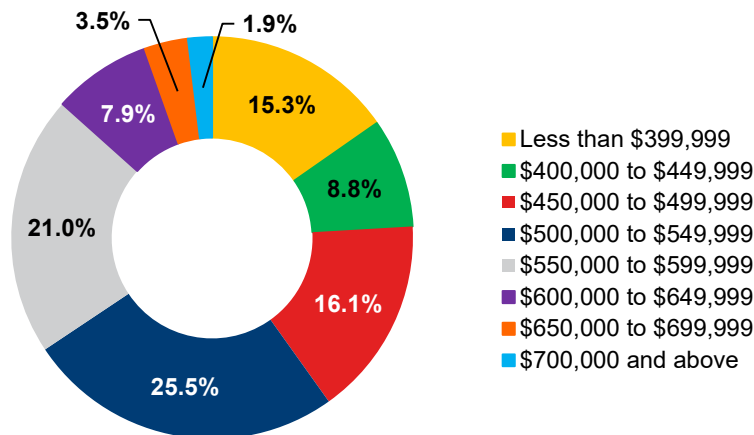
HOUSE PRICE POINT 2017



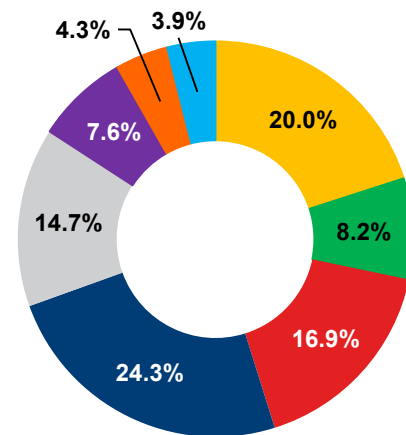
HOUSE PRICE POINT 2018



UNIT PRICE POINT 2017



UNIT PRICE POINT 2018



KEY IMPLICATIONS - HOUSES

2018 saw the \$650K-700K price point as its dominant bracket, accounting for 20.7% of sales. This represented growth of +0.9% from 2017. The largest shift occurred in the lowest bracket of sub-\$600K, which grew +3.6% to 18.1% year-on-year. This suggests a trend of increasing affordability within Penrith's* housing market.

Sales of \$700K+ collectively shrunk from 2017 through to 2018 from 52.8% to 45.6%, whilst price brackets below \$700K altogether increased by +7.2%. This highlights the cooling of Penrith's* house market, indicating the clear preference of buyers for the more affordable end of the market. Sellers should price stock accordingly to meet the market and achieve positive, efficient sale outcomes.

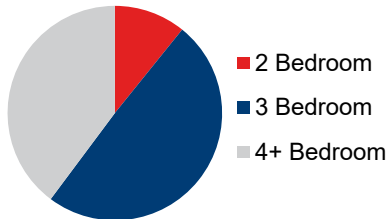
KEY IMPLICATIONS - UNITS

Penrith's* unit market in 2018 saw the \$500K-550K price range as the dominant bracket, with 24.3% of total sales. It was also the largest price point in 2017, where it was representative of 25.5% of sales. This suggests growth in affordability across the Penrith* unit market.

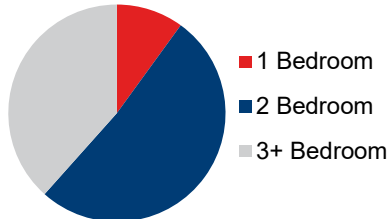
Notable shifts also occurred in the sub-\$400K and the \$550K-600K price ranges, which to 2018 grew +4.7% to 20.0% and shrunk -6.3% to 14.7% respectively. All other brackets shifted by less than 2.0% each, representing fairly minor market movements. Overall then, again there is evidence of Penrith's* cooling in the unit market, with a particular move away from stock slightly above the middle of the range to that slightly below the middle.

INVESTMENT ANALYSIS

HOUSE



UNIT



KEY HOUSE FACTS Q1 2019

Median Rent Price: \$440 per week
Rental Yield: 3.2%
Average Days on Market: 27
Bedroom Breakdown:
 2 Bed: 11%, 3 Bed: 49%, 4+ Bed: 40%

KEY UNIT FACTS Q1 2019

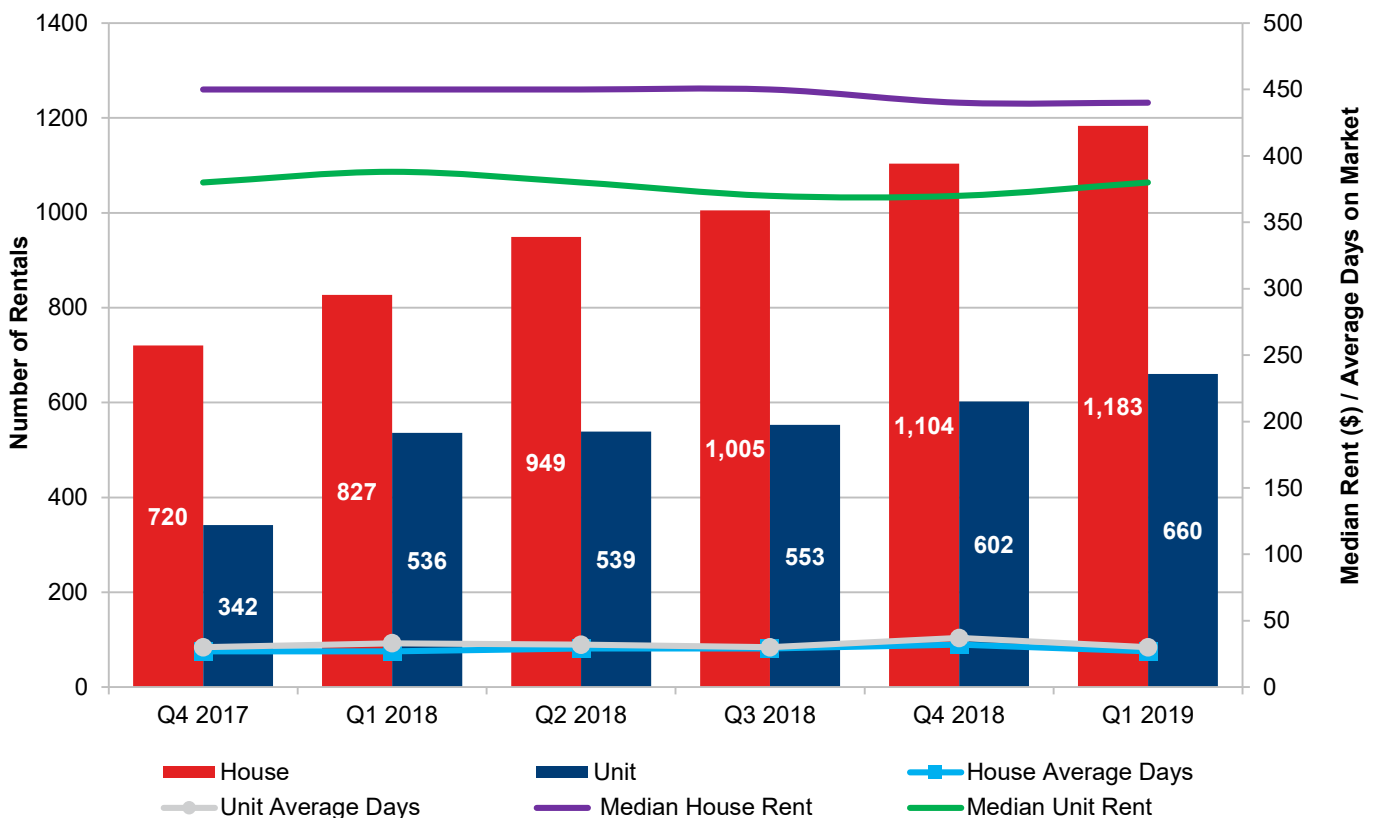
Median Rent Price: \$380 per week
Rental Yield: 3.8%
Average Days on Market: 30
Bedroom Breakdown:
 1 Bed: 10%, 2 Bed: 52%, 3+ Bed: 38%

KEY COMMENTS

The median house rental price in Penrith* for Q1 2019 was \$440 per week, and at the same time units recorded a median rental price of \$380 per week. This represented annual (Q1 2018 – Q1 2019) price softening of -2.2% and -2.1% for houses and units respectively. An increase in rental activity was noted over this same period, up 43.0% for houses and 23.1% for units. Penrith's house rental yield of 3.2% as of December 2018 and was above Sydney Metro's 2.9%, and its unit yield of 3.8% was on-par with Sydney Metro. Together, these demand indicators and reasonable returns should make Penrith* attractive to investors.

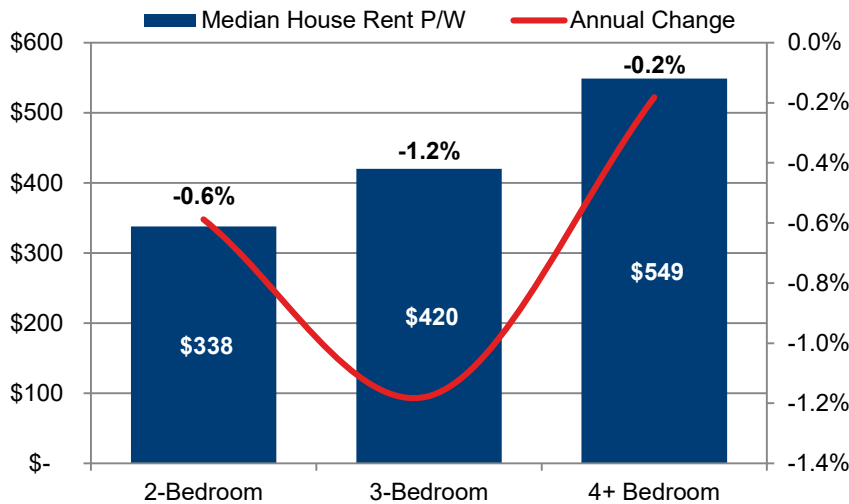


MEDIAN RENT AND AVERAGE DAYS ON THE MARKET*



*Disclaimer: Penrith market data and key indicators encapsulates aggregate property market conditions in the City of Penrith LGA. Source: APM Pricefinder, realestate.com.au, SQM Research. © Copyright PRDnationwide 2019.

RENTAL PERFORMANCE 2018*



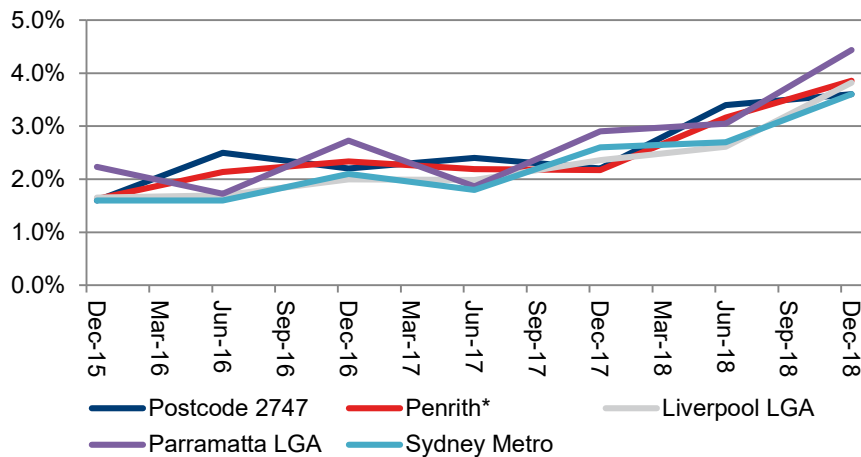
KEY COMMENTS

With yields of 3.2% for houses and 3.8% for units in December 2018, Penrith sat above Sydney Metro's house yield of 2.9% and remained on-par for its unit yield (also 3.8%).

4+ bedroom houses provided the greatest rental resilience annually, softening just -0.2% to 549 per week.

Penrith's* vacancy rate of 3.9% as of December 2018 placed it slightly above the Sydney Metro vacancy rate of 3.6% over the same period. Other nearby LGAs performed similarly, with Liverpool LGA at 3.8% and Parramatta LGA showing a notably higher rate of 4.4% as of December 2018.

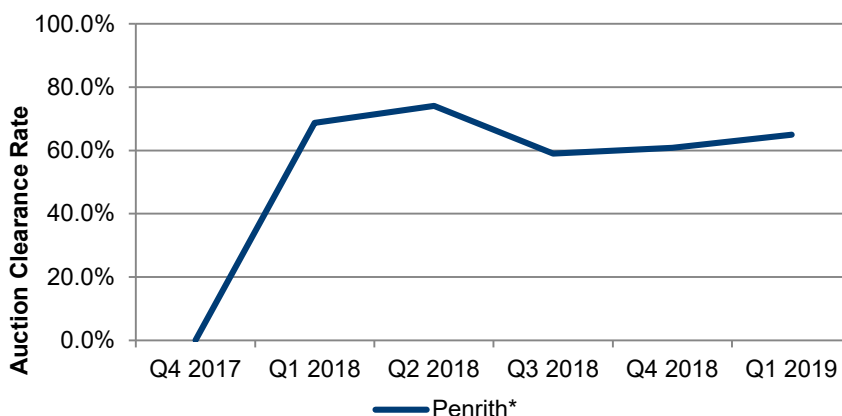
VACANCY RATES 2018



RENTAL YIELD 2018

Suburb/Postcode/LGA	House Rental Yield	Unit Rental Yield
Postcode 2747	2.5%	2.9%
Penrith*	3.2%	3.8%
Parramatta LGA	2.8%	3.8%
Liverpool LGA	3.3%	4.0%
Sydney Metro	2.9%	3.8%

AUCTION CLEARANCE RATES 2019**



Q1 19 COMPARISON

Suburb/Postcode/LGA	Auction Clearance Rate
Penrith**	65.0%
Liverpool LGA	44.2%
Sydney Metro^	58.7%

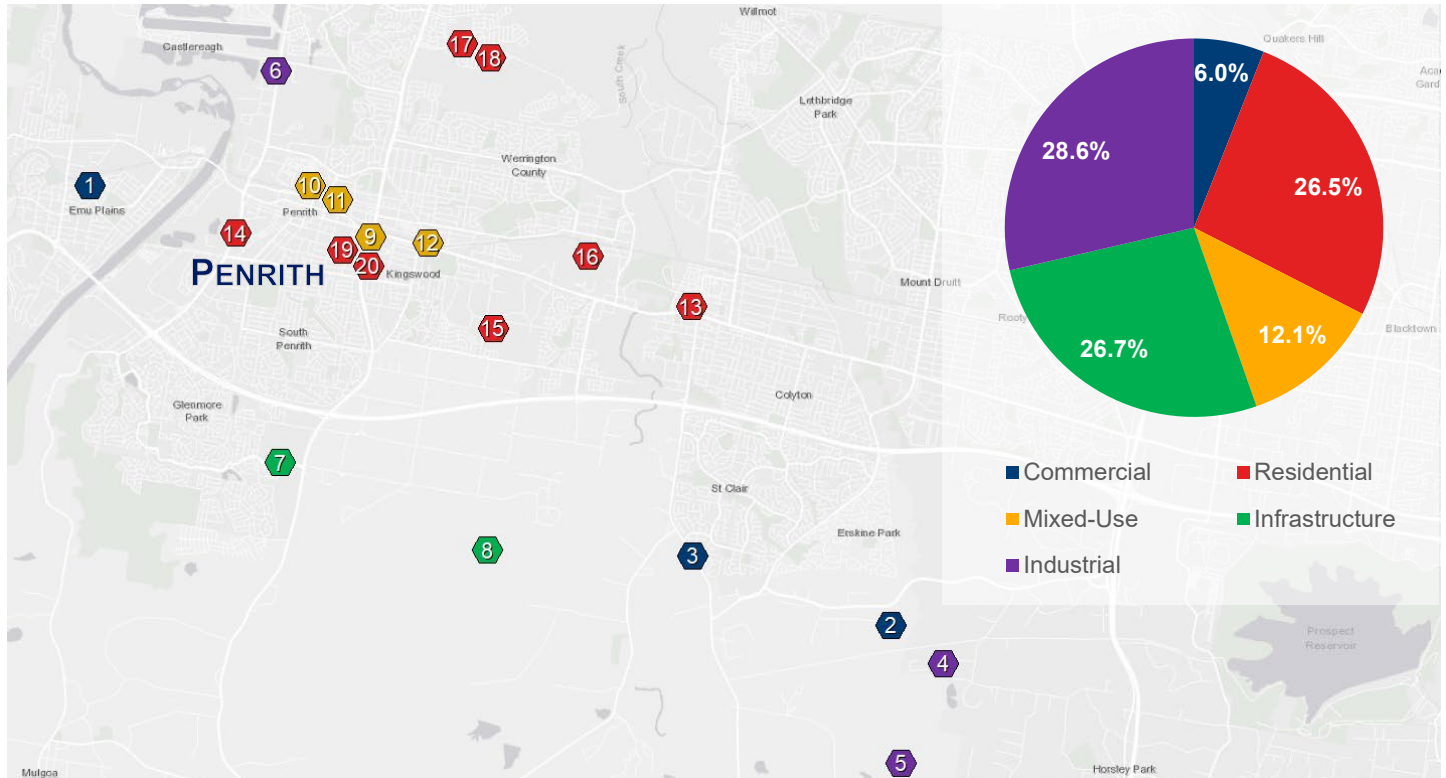
*Rental performance graph represents aggregate house median rent prices in the City of Penrith LGA. Annual change is a comparison between 2017 and 2018 median rent figures.

**Auction Clearance rates for Penrith are for all residential auctions held in the City of Penrith LGA.

^Capital city data obtained by accumulating Domain's weekly auction clearance results.

Source: APM Pricerfinder, Domain, SQM Research. © Copyright PRDnationwide 2019.

PROJECT DEVELOPMENT MAP 1st HALF 2019*



Location	Project**	Type	Estimated Value***	Commence Date****
1	Edinglassie Village Residential Aged Care Facility	Commercial	\$29,308,000	25/03/2019
2	Lindsay Transport Facility Erskine Park	Commercial	\$14,136,000	22/04/2019
3	Voestalpine	Commercial	\$11,247,000	24/01/2019
4	Oakdale South Industrial Estate - Precincts 1, 4 & 5	Industrial	\$218,091,000	29/04/2019
5	Oakdale South Industrial Estate	Industrial	\$31,299,000	15/04/2019
6	Camden Street Industrial Development Stages 1-2	Industrial	\$9,800,000	15/02/2019
7	The Northern Road Upgrade - Stage 5	Infrastructure	\$166,662,000	13/02/2019
8	Naval Guided Weapons Maintenance Facilities (NGWMF)	Infrastructure	\$75,000,000	29/04/2019
9	Mixed Use Development - Nepean Health Precinct (36 Units)	Mixed-Use	\$69,446,000	29/04/2019
10	Woodriff Street Mixed Use Development (58 Apartments)	Mixed-Use	\$15,000,000	24/03/2019
11	High St Mixed Development (39 Units)	Mixed-Use	\$13,000,000	15/04/2019
12	Park Avenue Mixed Use Development (50 Apartments)	Mixed-Use	\$12,000,000	04/06/2019
13	Carson Ln Units (289 Units)	Residential	\$70,623,000	15/05/2019
14	ESQ1818 (152 Apartments)	Residential	\$53,754,000	13/05/2019
15	O'Connell St Integrated Houses (151 Dwellings)	Residential	\$35,734,000	25/03/2019
16	South Werrington Urban Village (95 Apartments)	Residential	\$24,918,000	25/03/2019
17	Jordan Springs Village – Como (84 Units)	Residential	\$17,274,000	17/04/2019
18	Jordan Springs Village – Geneva (80 Units)	Residential	\$16,445,000	18/04/2019
19	Lethbridge Street Apartments – Sky Garden (44 Apartments)	Residential	\$10,881,000	17/04/2019
20	Derby St Units (61 Units)	Residential	\$10,500,000	29/04/2019

*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 Penrith 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, Penrith City Council. © Copyright PRDnationwide 2019.

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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