



PENRITH MARKET UPDATE 2nd Half 2019



OVERVIEW

In Q3 2019, Penrith* recorded a median house price of \$651,750, and a median unit price of \$460,000. This represents annual (Q3 2018 – Q3 2019) median price softening of -4.9% for houses and -10.2% for units. During this timeframe total house sales slowed, down by -5.5% to 536 sales. Meanwhile unit sales increased, by 2.3% to 220 sales. That said the Penrith* market have seen more positive signs over the past 6 months, suggesting confidence is returning.

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

MARKET CONDITIONS

SALES MEDIAN PRICE Q3 2019



SALES AVERAGE DAYS ON MARKET Q3 2019



RENTAL MEDIAN PRICE Q3 2019

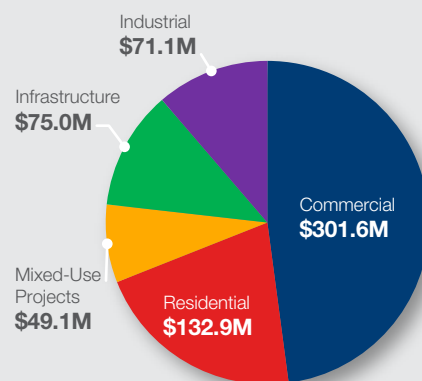


RENTAL AVERAGE DAYS ON MARKET Q3 2019



FUTURE DEVELOPMENTS

Penrith LGA is set to see approximately **\$629.6M worth of new projects commencing in the 2nd half of 2019.**



A focus on commercial activity is ideal, as it supports significant opportunity for employment growth locally. A balance between other project sectors is also positive news for the area, as it provides the necessary combination of business activity, amenities, and dwellings; to support continued population growth in Penrith.

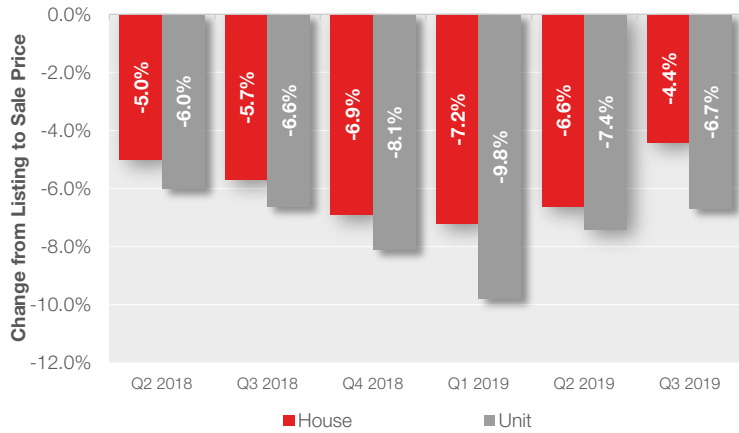
A key project for the 2nd half of 2019 period is the \$29.3M Engineers Place Mixed Use Development. Spanning 9 levels, the project will develop 48 apartments and two ground level commercial tenancies. A major commercial project for the period is Twin Creeks Resort (\$98.9M). The project is proposed to feature 190 hotel rooms, retail space, and a variety of amenities over the 6 level build. ESQ 1818 (\$53.8M) will add a total of 152 apartments to the local market.



*Penrith market data and key indicators encapsulates aggregate property market conditions within the 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.
Source: APM Pricerfinder, Cordell Connect database. © Copyright PRDnationwide 2019.

AVERAGE VENDOR DISCOUNT*

Average vendor discount reflects the average percentage difference between the first list price and final sold price. A lower percentage difference (closer to 0.0%) suggests that buyers are willing to purchase close to the first asking price of a property.



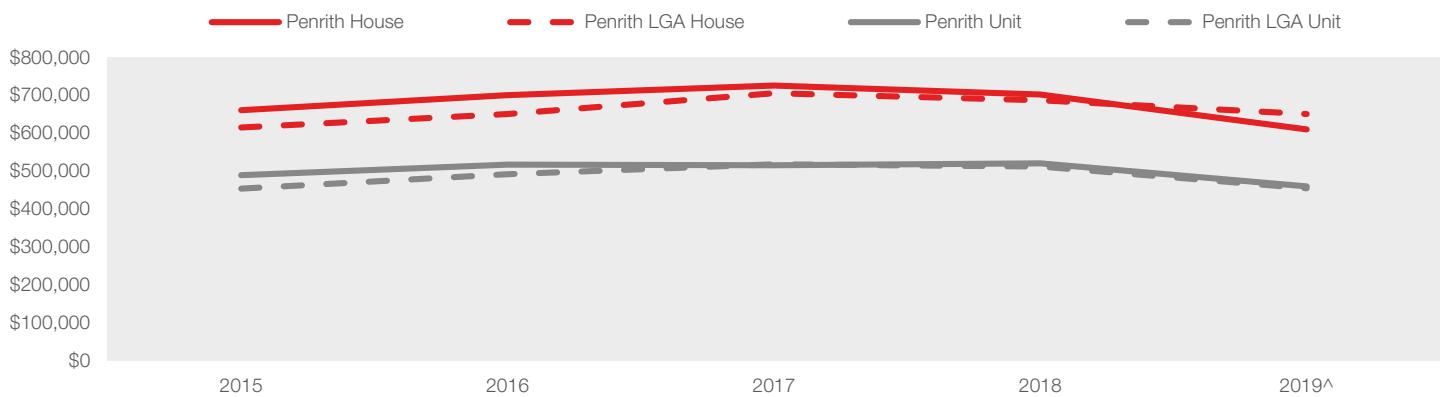
KEY COMMENTS

Average vendor discount between Q3 2018 and Q3 2019 have tightened for houses to -4.4%, while units have slightly widened to -6.7%. Market conditions in Penrith* continue to favour buyers, where sellers are willing to negotiate below their initial listing price. That said discounts for houses is now lessening, thus buyers need to act quickly.

The suburb of Penrith has historically outperformed the wider Penrith Local Government Area (LGA) in house median price and largely on par in unit median prices. This said, in 2019[^] the Penrith house market became more affordable than the wider LGA, presenting buyers with a real value opportunity.

The dominant proportion of houses sold in Penrith* across 2019[^] were in the mid-lower price range of \$550,000-\$650,000 (30.3%). Units recorded a dominant low-price point of less than \$400,000 (26.7%). Overall, buyers were able to access property at various price points, which is good news for those looking to enter the Penrith* market.

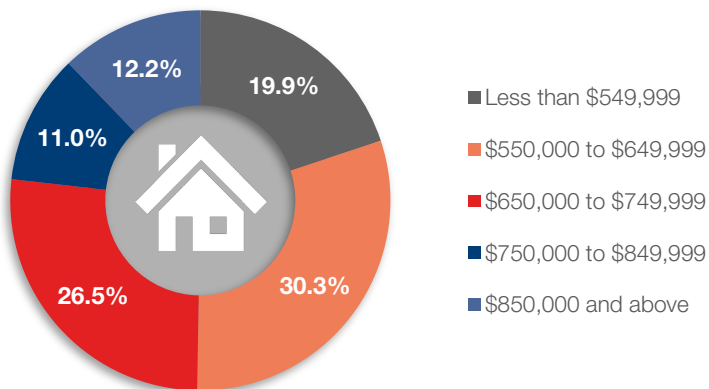
MARKET COMPARISON



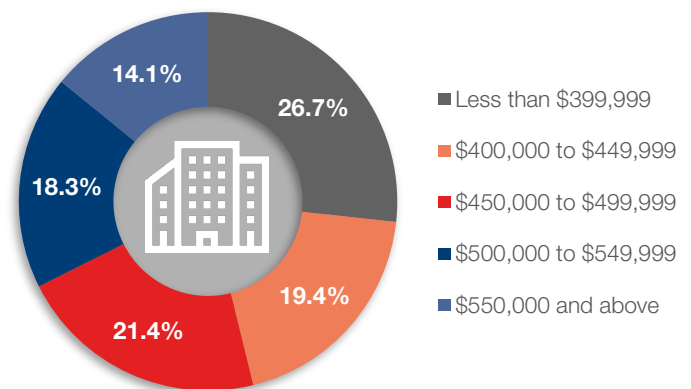
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled were chosen based on their proximity to the main suburb analysed, which is Penrith.

PRICE BREAKDOWN 2019[^]

HOUSES SOLD



UNITS SOLD



RENTAL GROWTH 2019*

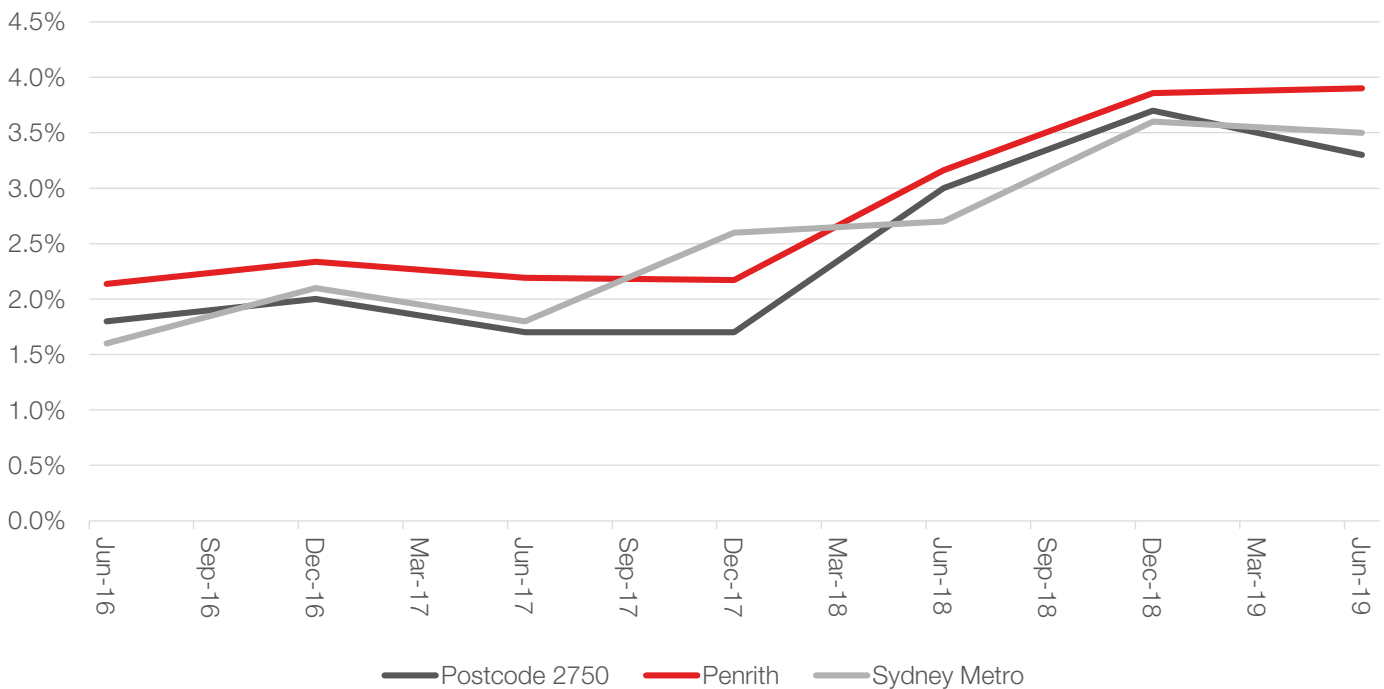
Over the past 12 months, house rental yields in Penrith* increased steadily to reach 3.4% in June 2019; above Sydney Metro's 2.9% average. This suggests the house rental market is in a healthy position, as does the decrease in average days to let across the same time period (down by -10.3% to 26 days in the 12 months to Q3 2019).

2 bedroom houses provided investors with the best rental growth annually, achieving a median rent of \$335 per week. This said, 2 bedroom houses make up a small volume of all rental stock, with 3 and 4 bedroom being the dominant types.

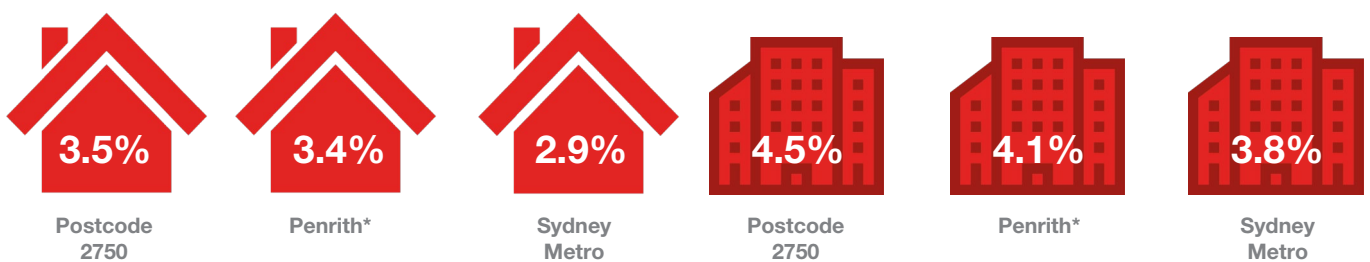
Penrith* recorded a vacancy rate of 3.9% in June 2019, which is slightly above Sydney Metro's 3.5% average. Investors are advised to consider signing tenants on longer-term leases to help mitigate vacancy risk.



RENTAL VACANCY RATES 2019



RENTAL YIELD 2019^

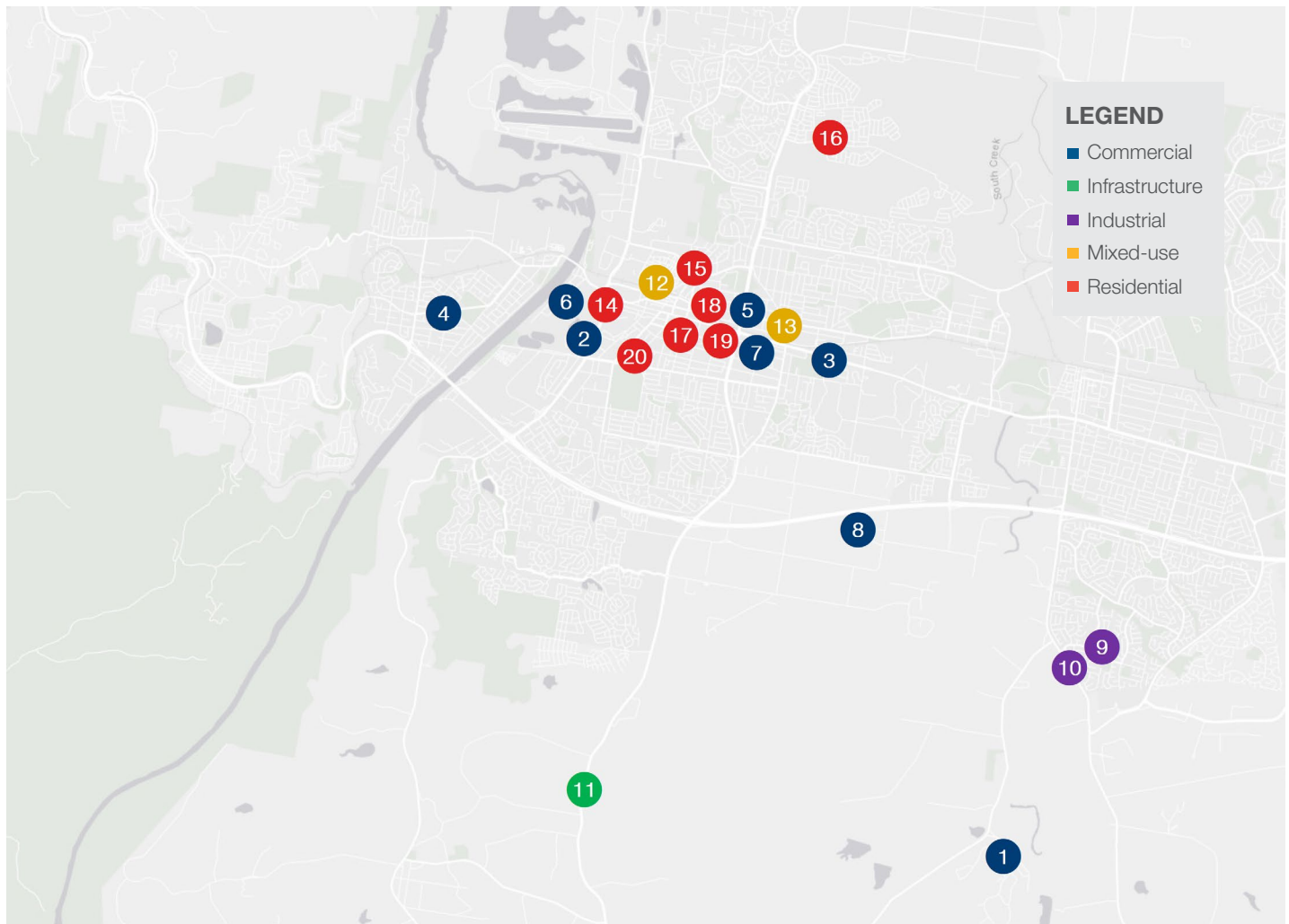


*Rental performance graph represents aggregate house median rent prices within the Penrith LGA. Annual rental growth is a comparison between 2018 and 2019 (Q1 – Q3) house median rent figures.

^Rental yields shown are as reported at June 2019.

Source: APM Pricefinder, SQM Research. © Copyright PRDnationwide 2019.

PROJECT DEVELOPMENT MAP 2ND HALF 2019*



Location	Project**	Type	Estimated Value***	Commence Date****
1	Twin Creeks Resort	Commercial	\$98,888,000	Aug-19
2	Western Sydney Community & Conference Centre	Commercial	\$61,581,000	Dec-19
3	Caddens Precinct Centre	Commercial	\$43,466,000	Dec-19
4	Edinglassie Village Residential Aged Care Facility	Commercial	\$29,308,000	Oct-19
5	Nepean - Medical Precinct	Commercial	\$26,712,000	Nov-19
6	Penrith Panthers Serviced Apartments	Commercial	\$20,000,000	Oct-19
7	Hargrave Street Serviced Apartments	Commercial	\$11,600,000	Nov-19
8	Assistance Dogs Australia National Training Facility	Commercial	\$10,000,000	Aug-19
9	Snack Brands Warehouse & Distribution Facility	Industrial	\$59,859,000	Oct-19
10	Voestalpine	Industrial	\$11,247,000	Nov-19
11	Naval Guided Weapons Maintenance Facilities (NGWMF)	Infrastructure	\$75,000,000	Oct-19
12	Engineers Place Mixed Use Development (48 Apartments)	Mixed-use	\$29,308,000	Aug-19
13	Somerset Street Mixed Use Development (54 Apartments)	Mixed-use	\$19,802,000	Oct-19
14	ESQ 1818 Stage 1 (152 Apartments)	Residential	\$53,754,000	Mar-19
15	Lord Sheffield Circuit Apartments (106 Apartments)	Residential	\$21,868,000	Aug-19
16	Jordan Springs Village – Como (84 Units)	Residential	\$17,274,000	Jul-19
17	Lethbridge Street Apartments (66 Apartments)	Residential	\$15,782,000	Nov-19
18	High Street Apartments (49 Apartments)	Residential	\$12,488,000	Sep-19
19	Lethbridge Street Apartments (42 Apartments)	Residential	\$10,500,000	Jul-19
20	Castlereagh Street Townhouses (8 Townhouses)	Residential	\$1,200,000	Oct-19

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

OUR KNOWLEDGE

Access to accurate and objective research is the foundation of all good property decisions.

OUR PEOPLE

Our research team is made up of highly qualified researchers who focus solely on property analysis.

OUR SERVICES

Our research services span over every suburb, LGA, and state within Australia; captured in a variety of standard and customised products.



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