



# > Norwest Market Update

1st Half 2020



## SALES

### Commercial

The median commercial sale price in Norwest\* was \$8,202 per sqm for Q4 2019. This represents half-yearly (Q2 2019 – Q4 2019) price growth of 15.2% and annual (Q4 2018 – Q4 2019) price growth of 6.5%, showing an overall positive trend. The variations in median sale price per sqm are attributed to the various commercial offerings transacted, as well as limited transaction volumes (with 11 sales recorded across Q4 2019).

**\$8,202**

Median commercial sale price per sqm in Norwest (Q4 2019)

**11**

Total commercial property sales in Norwest (Q4 2019)

**\$5,294**

Median industrial sale price per sqm in Norwest (Q4 2019)

**9**

Total industrial property sales in Norwest (Q4 2019)



## INTRODUCTION

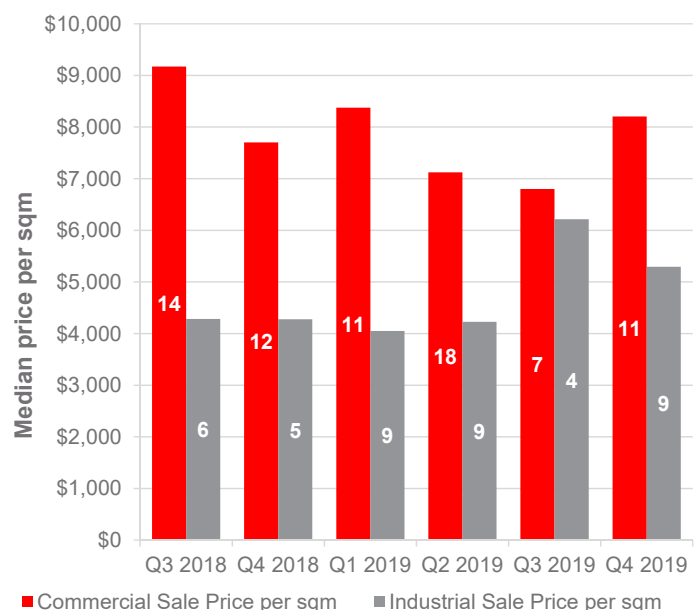
Positioned approximately 30km north-west of Sydney, Norwest is an area which encapsulates the suburbs of Baulkham Hills, Rouse Hill, Castle Hill, and Bella Vista. These suburbs are noted particularly for their commercial precincts, which include office and retail uses, as well as strata industrial properties.

The following report focuses on these property types specifically, reporting and analysing their sales and leasing activity over the past 18 months to the end of Q4 2019, as well as recent and future development in the area. When combined, these elements provide a holistic understanding of the state of the Norwest\* commercial and industrial property markets.

## SALES

### Industrial

In contrast, the median price per sqm for industrial properties in Norwest\* reflected a lower price point of \$5,294 per sqm for Q4 2019. This represents half-yearly (Q2 2019 – Q4 2019) price growth of 25.3% and annual (Q4 2018 – Q4 2019) price growth of 23.8%. Sales of industrial properties in Norwest\* remain limited (with just 9 sales occurring in Q4 2019), meaning data remains somewhat volatile. However there is also a clear upward trend evident in the median price per sqm.



## LEASING

### Industrial

The median industrial net lease rate for Norwest in Q4 2019 was at \$218 per sqm. This represented solid growth of 21.1% in the six months since Q2 2019 and growth of 15.9% in the 12 months since Q4 2018. Leasing activity increased strongly over the previous 12 months, with 32 leases recorded in Q4 2019. Given the limited market size, leases will naturally fluctuate. However the overall trend is clearly positive.

**\$218**

Median industrial net lease rate per sqm in Norwest (Q4 2019)

**32**

Number of industrial commercial leases in Norwest (Q4 2019)

**\$348**

Median commercial net lease rate per sqm in Norwest (Q4 2019)

**14**

Number of quarterly commercial leases in Norwest (Q4 2019)



## LEASE BREAKDOWN

Leases commencing across Q4 2019 in Norwest\* showed significant variation by lease type by sector.

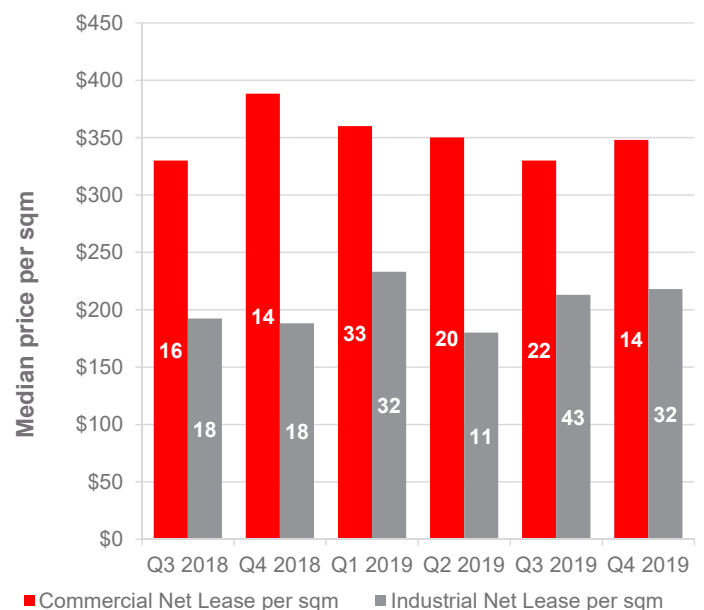
A majority of commercial leases (57%) were taken on a Gross basis (based on 14 known leases).

However, the dominant lease type was different in Norwest's industrial market, with 63% of leases being adhered to on a Net basis (based on 32 known leases).

## LEASING

### Commercial

Norwest's median commercial net lease rate was at \$348 per sqm as of Q4 2019. This rate reflects a very minor softening of -0.6% in the six months since Q2 2019 and a greater softening of -10.4% in the 12 months since Q4 2018. Leasing activity remained stable over 12 months, with 14 leases recorded in Q4 2019. This is a slowdown on the last six months however, down from 20 leases in Q2 2019. Despite limited data, there is an overall clear softening trend in commercial leasing.



## RECENT SALES

### COMMERCIAL

| Property Address                         | Sale Price  | Area (sqm) | Price per sqm | Sale Date |
|--|-------------|------------|---------------|-----------|
| 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    |
| 312/10 Century Circuit, Norwest          | \$340,000   | 50         | \$6,800       | Jul-19    |
| 20/35 Old Northern Road, Baulkham Hills  | \$330,000   | 45         | \$7,333       | Aug-19    |
| 331 Windsor Road, Baulkham Hills         | \$160,000   | 122        | \$1,311       | Sep-19    |
| 418/29-31 Lexington Drive, Bella Vista   | \$629,000   | 74         | \$8,500       | Oct-19    |
| 222/14 Lexington Drive, Bella Vista      | \$880,000   | 164        | \$5,366       | Nov-19    |
| 403/29-31 Old Northern Road, Bella Vista | \$650,000   | 76         | \$8,553       | Nov-19    |
| 16-18 Old Northern Road, Baulkham Hills  | \$950,000   | 665        | \$1,429       | Nov-19    |
| 2/29-31 Lexington Drive, Bella Vista     | \$2,600,000 | 317        | \$8,202       | Nov-19    |

### INDUSTRIAL

| Property Address                     | Sale Price  | Area (sqm) | Price per sqm | Sale Date |
|--------------------------------------|-------------|------------|---------------|-----------|
| 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    |
| 22/3-9 Terminus Street, Castle Hill  | \$620,000   | 80         | \$7,750       | Jul-19    |
| 76 Showground Road, Castle Hill      | \$2,007,500 | 138        | \$14,547      | Sep-19    |
| 1/11 Packard Avenue, Castle Hill     | \$2,950,000 | 1,097      | \$2,689       | Sep-19    |
| 7/15-17 Terminus Street, Castle Hill | \$410,000   | 66         | \$6,212       | Sep-19    |
| 287C Old Northern Road, Castle Hill  | \$3,000,000 | 266        | \$11,278      | Oct-19    |
| 21/322 Annangrove Road, Rouse Hill   | \$740,000   | 215        | \$3,442       | Nov-19    |
| 11/7 Salisbury Road, Castle Hill     | \$780,000   | 195        | \$4,000       | Nov-19    |
| 5/31 Terminus Street, Castle Hill    | \$415,000   | 63         | \$6,587       | Nov-19    |

## RECENT LEASES

### COMMERCIAL

| Property Address                           | Lease Value | Lease Type | Area (sqm) | Price per sqm | Lease Date |
|--|-------------|------------|------------|---------------|------------|
| 30 Old Northern Road, Baulkham Hills       | \$95,000    | Net        | 275        | \$345         | Oct-19     |
| Suite 2/7 Seven Hills Road, Baulkham Hills | \$23,100    | Gross      | 48         | \$481         | Oct-19     |
| 217/14-16 Lexington Drive, Bella Vista     | \$52,668    | Gross      | 171        | \$308         | Oct-19     |
| 5/5-7 Meridian Place, Bella Vista          | \$30,000    | Net        | 84         | \$350         | Nov-19     |
| 2/15-17 Old Northern Road, Baulkham Hills  | \$145,000   | Gross      | 283        | \$512         | Nov-19     |
| 308/5 Celebration Drive, Bella Vista       | \$26,000    | Net        | 48         | \$542         | Nov-19     |
| 25/35 Old Northern Road, Baulkham Hills    | \$24,000    | Gross      | 64         | \$375         | Nov-19     |
| 20 Arthur Street, Baulkham Hills           | \$68,000    | Gross      | 138        | \$493         | Dec-19     |
| 4/1 Maitland Place, Baulkham Hills         | \$45,000    | Net        | 160        | \$281         | Dec-19     |
| 102/33 Lexington Drive, Bella Vista        | \$36,000    | Net        | 102        | \$353         | Dec-19     |

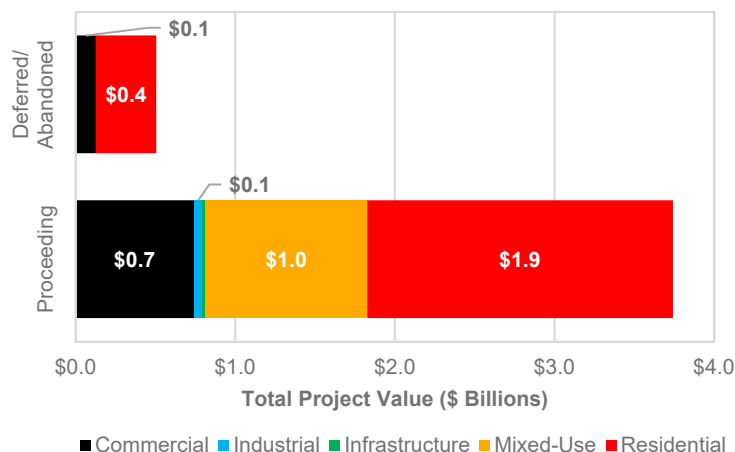
### INDUSTRIAL

| Property Address                   | Lease Value | Lease Type | Area (sqm) | Price per sqm | Lease Date |
|------------------------------------|-------------|------------|------------|---------------|------------|
| 40/9 Hoyle Avenue, Castle Hill     | \$45,305    | Net        | 245        | \$185         | Nov-19     |
| 100/7 Hoyle Avenue, Castle Hill    | \$65,000    | Net        | 266        | \$244         | Nov-19     |
| 18/10 Gladstone Road, Castle Hill  | \$23,950    | Net        | 105        | \$228         | Nov-19     |
| 21/7 Salisbury Road, Castle Hill   | \$53,465    | Gross      | 289        | \$185         | Nov-19     |
| 31A/5-7 Anella Avenue, Castle Hill | \$20,000    | Net        | 80         | \$250         | Nov-19     |
| 8/15 Carrington Road, Castle Hill  | \$73,905    | Net        | 379        | \$195         | Nov-19     |
| 15/44 Carrington Road, Castle Hill | \$30,500    | Gross      | 135        | \$226         | Nov-19     |
| 8/15 Carrington Road, Castle Hill  | \$72,000    | Net        | 379        | \$190         | Dec-19     |
| 22/9 Hoyle Avenue, Castle Hill     | \$42,500    | Net        | 187        | \$227         | Dec-19     |
| 2/5 Hudson Avenue, Castle Hill     | \$69,000    | Gross      | 398        | \$173         | Dec-19     |

## PROJECT DEVELOPMENT

### 2018-2020 OVERVIEW

Norwest\* is set to benefit from an estimated \$3.7B of development, scheduled to commence between 2018-2020. There are 135 major projects due to commence, which represents 88.1% of the original development pipeline, with approximately \$506.3M (or 11.9%) either deferred or abandoned by developers.



There is a clear focus on increased development activity in the commercial sector, with 24 projects scheduled to commence in 2020, compared to just 8 projects from 2019. Deferred or abandoned projects are evident across the commercial and residential sectors. However each of these areas has continued to see development continue nonetheless, with both showing increases in project value from 2019 to 2020.

#### Proceeding Projects: Total Estimated Value

|                | 2018            | 2019            | 2020          |
|----------------|-----------------|-----------------|---------------|
| Commercial     | \$200.0M        | \$15.9M         | \$526.9M      |
| Industrial     | -               | \$7.6M          | \$44.3M       |
| Infrastructure | \$5.4M          | \$11.4M         | \$1.0M        |
| Mixed-Use      | \$105.8M        | \$503.5M        | \$406.7M      |
| Residential    | \$515.3M        | \$290.0M        | \$1.1B        |
| <b>Total</b>   | <b>\$826.2M</b> | <b>\$828.4M</b> | <b>\$2.1B</b> |

#### Proceeding Projects: Total Project Count

|                | 2018      | 2019      | 2020      |
|----------------|-----------|-----------|-----------|
| Commercial     | 16        | 8         | 24        |
| Industrial     | -         | 2         | 4         |
| Infrastructure | -         | 3         | 3         |
| Mixed-Use      | 1         | 2         | 3         |
| Residential    | 20        | 12        | 32        |
| <b>Total</b>   | <b>39</b> | <b>27</b> | <b>69</b> |

### 1ST HALF 2020 OVERVIEW

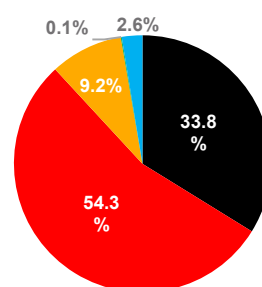
A key project for the 1st half of 2020 is the \$164.2M Castle Towers Shopping Centre Stage One. This commercial project will see the upgrade of the existing shopping centre to add over 15,000 sqm to the existing centre's floor area. This project is set to commence in May 2020. Upon completion this project will provide opportunity for further local employment in the area, whilst also providing jobs in the construction process. Further, a project of such scale may boost local consumer sentiment as well as increasing Norwest's\* economic output. This has the potential for positive spill-over effects on the local property market.

#### 1st Half 2020 Proceeding Project Breakdown

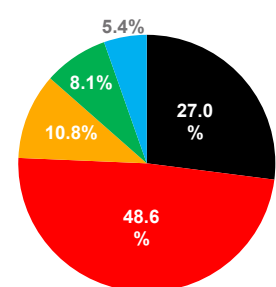
|                | Project Value   | Total Projects |
|----------------|-----------------|----------------|
| Commercial     | \$293.3M        | 10             |
| Industrial     | \$22.5M         | 2              |
| Infrastructure | \$1.0M          | 3              |
| Mixed-Use      | \$79.5M         | 4              |
| Residential    | \$471.0M        | 18             |
| <b>Total</b>   | <b>\$867.3M</b> | <b>37</b>      |

The \$70.5M Salento Residential Development is another key project for the 1st half of 2020. Set to commence in June, this residential project is set to create a total of 48 apartments and 87 two-storey townhouses, which in total will also include car parking for 195 vehicles and 26 bicycles. Residential projects are a major component of the Norwest\* project development pipeline at present, and are necessary to ensure that housing is readily available to support ongoing population growth. Major projects such as Salento are positive contributors to Norwest\* in this sense. Further, the increase in housing supply will regulate price growth to a sustainable level.

#### Projects by Value



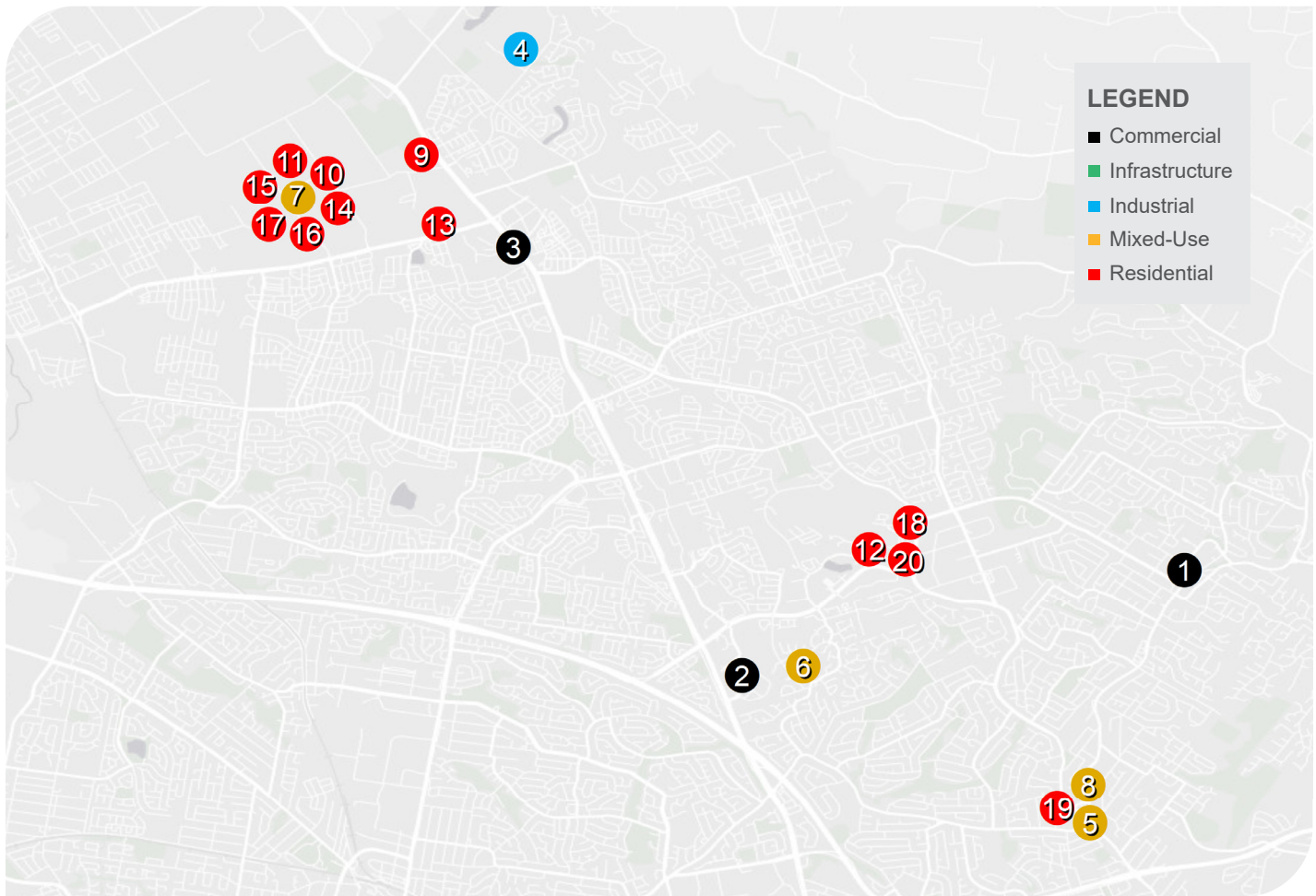
#### Projects by Count



■ Commercial ■ Industrial ■ Residential  
■ Infrastructure ■ Mixed-Use



# PROJECT DEVELOPMENT MAP 1ST HALF 2020\*



| Location | Project**   | Type        | Estimated Value*** | Commence Date**** |
|----------|---|-------------|--------------------|-------------------|
| 1        | Castle Towers Stage 1   | Commercial  | \$164,175,000      | 24/05/2020        |
| 2        | Elizabeth Macarthur Drive Commercial Building - The Bond          | Commercial  | \$53,786,000       | 27/04/2020        |
| 3        | Rouse Hill Town Centre Car Park                                   | Commercial  | \$44,306,000       | 18/05/2020        |
| 4        | Money Close Industrial Building                                   | Industrial  | \$15,000,000       | 06/04/2020        |
| 5        | Old Northern Road Mixed Use Development (44 Apartments)           | Mixed-use   | \$23,573,000       | 28/04/2020        |
| 6        | Bella Vista Dr - The Village Green (13 Townhouses, 23 Apartments) | Mixed-use   | \$23,519,000       | 19/06/2020        |
| 7        | Tallawong Road Mixed Use Development (117 Units)                  | Mixed-use   | \$22,568,000       | 07/04/2020        |
| 8        | Old Northern Rd Mixed Use Development (29 Units)                  | Mixed-use   | \$9,830,000        | 08/02/2020        |
| 9        | Salento Residential Development (48 Apartments, 87 Townhouses)    | Residential | \$70,495,000       | 22/06/2020        |
| 10       | Rouse Rd Residential Development (163 Apartments)                 | Residential | \$60,540,000       | 22/06/2020        |
| 11       | Cudgegong Road Units Stages 1-3 (201 Units)                       | Residential | \$60,062,000       | 14/02/2020        |
| 12       | Ellendale The Orchards (330 Units)                                | Residential | \$60,000,000       | 01/02/2020        |
| 13       | Schofields Road Units – Highbury (217 Units)                      | Residential | \$56,710,000       | 23/06/2020        |
| 14       | Lotus Apartments Stage 3 (215 Units)                              | Residential | \$55,790,000       | 16/03/2020        |
| 15       | Tallawong Road Units (127 Units)                                  | Residential | \$22,080,000       | 30/04/2020        |
| 16       | Tallawong Road Units (123 Units)                                  | Residential | \$20,992,000       | 14/04/2020        |
| 17       | Tallawong Road Dwellings & Subdivision (66 Dwellings, 61 Lots)    | Residential | \$20,917,000       | 25/05/2020        |
| 18       | Windsor Road Townhouses (32 Townhouses)                           | Residential | \$10,883,000       | 13/02/2020        |
| 19       | Seven Hills Road Units (19 Units)                                 | Residential | \$8,279,000        | 02/05/2020        |
| 20       | Windsor Rd Townhouses (28 Townhouses)                             | Residential | \$8,000,000        | 10/02/2020        |

## 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.



**David Inkster, Director**

**M** +61 409 831 241

**E** [david.inkster@prdnorwest.com.au](mailto:david.inkster@prdnorwest.com.au)

**PRD Norwest**

**P** +61 2 9680 3300

Suite 402, 10 Century Circuit  
Baulkham Hills NSW 2153

[PRD.com.au/norwest](http://PRD.com.au/norwest)