



> Affordable & Liveable Property Guide
Sydney Metro 2nd Half 2020

METHODOLOGY

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

- Property trends criteria** – all suburbs have a minimum of 20 sales transactions for statistical reliability purposes. Based on market conditions suburbs have either positive, or as close as possible to neutral price growth between 2019 to 2020*.
- Investment criteria** – as of September 2020, suburbs considered will have an on-par or higher rental yield than Sydney Metro, and an on-par or lower vacancy rate.
- Affordability criteria** – identified affordable and liveable suburbs have 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 \$605,050** as of Q2 2020. Premiums of 99% for houses and 30% for units were added, which were below those required to reach Sydney Metro's median prices (169% for houses and 31% for units). This places the suburbs below Sydney's median prices, meaning that the suburbs identified within this report are more affordable for buyers.
- Development criteria** – suburbs identified must have a high total estimated value of future project development for the 2nd half of 2020, as well as a higher proportion of commercial and infrastructure projects. This ensures the suburbs show signs of sustainable economic growth, in turn positively affecting the property market.
- Liveability criteria** – all identified suburbs 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 NSW average (as determined by the Department of Jobs and Small Business, June Quarter 2020 release).

RECENT TOP PERFORMERS

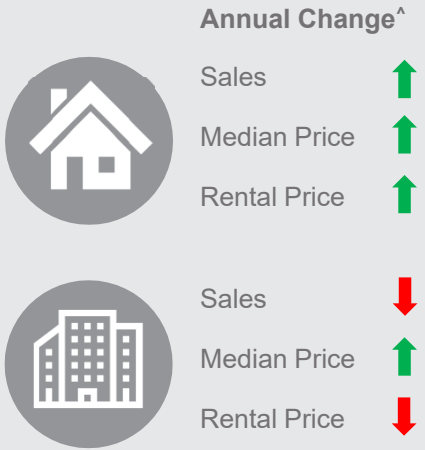
Area	Suburb	Type	Median Price 2019	Median Price 2020*	Price Growth	Projects 2020***
Inner	Crows Nest	House	\$2,050,000	\$2,280,000	11.2%	\$258.4M
	Sydney	Unit	\$900,000	\$1,140,000	26.7%	\$1.4B
North	Lindfield	House	\$2,700,000	\$3,210,000	18.9%	\$263.7M
	Lindfield	Unit	\$1,000,000	\$1,200,000	20.0%	\$263.7M
South	Mascot	House	\$1,335,000	\$1,513,500	13.4%	\$113.5M
	Kogarah	Unit	\$612,000	\$640,000	4.6%	\$1.1B
East	Randwick	House	\$2,470,000	\$2,700,000	9.3%	\$52.6M
	Randwick	Unit	\$937,750	\$1,045,000	11.4%	\$52.6M
West	Gladesville	House	\$1,675,000	\$1,890,000	12.8%	\$107.8M
	Bankstown	Unit	\$485,000	\$523,500	7.9%	\$2.5B

OVERVIEW

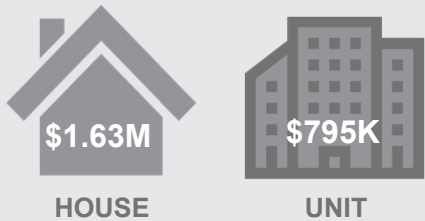
Median property prices in Sydney Metro increased by 7.2% for houses to \$1,630,000 from 2019 to 2020* and increased by 3.2% for units to \$795,000. By comparison, from 2018 to 2019 the median house price in Sydney Metro softened by -4.2%, and the median unit price softened by -3.5%. Sydney Metro's median price growth is in contrast with COVID-19 predictions, which solidifies its market strength. There is a unique opportunity in Sydney Metro, as the current market is more affordable than in 2017 (median house price of \$1,700,000 and median unit price of \$810,000). Yet at the same time owners can be confident in their asset's ongoing value. An estimated \$13.1B of development is planned in the 2nd half of 2020. This will generate more commercial activity, while infrastructure projects will improve liveability and create jobs in the construction phase. This will have a positive impact on the real estate market.

*Median price quoted captures sale transactions from 1st January 2020 to 30th September 2020, or Q1 2020 – Q3 2020. **Average home loan figure is derived from June Quarter 2020 Housing Affordability Report by the Real Estate Institute of Australia (REIA) and Adelaide Bank. ***Project development is based on aggregate of estimated construction value for residential, commercial, industrial, mixed-use and infrastructure projects scheduled to commence in the 2nd half of 2020 as stated by the relevant data authority. *Annual Change is reflective of median price change from Q3 2019 to Q3 2020. Figures displayed in infographics are for the period Q3 2020, except for median sale price, which is reflective of 1st January 2020 to 30th September 2020, or Q1 2020 – Q3 2020. Source: APM Pricerfinder, REIA, SQM Research, Cordell Connect, Department of Jobs and Small Business. © PRD Real Estate 2020.

SYDNEY METRO



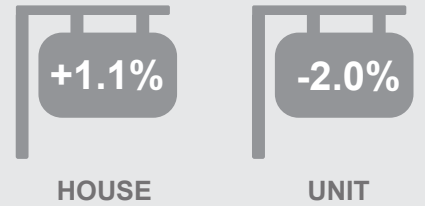
MEDIAN SALE PRICE



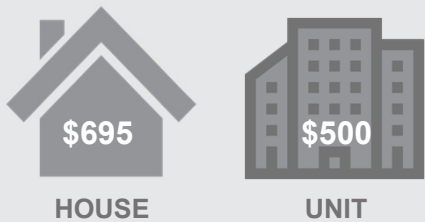
AVERAGE DAYS TO SELL



AVERAGE VENDOR DISC.



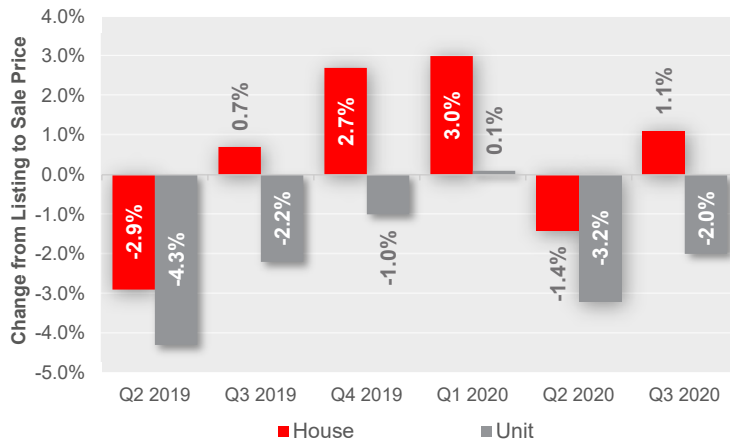
MEDIAN RENTAL PRICE



AVERAGE DAYS TO LET



AVERAGE VENDOR DISCOUNT

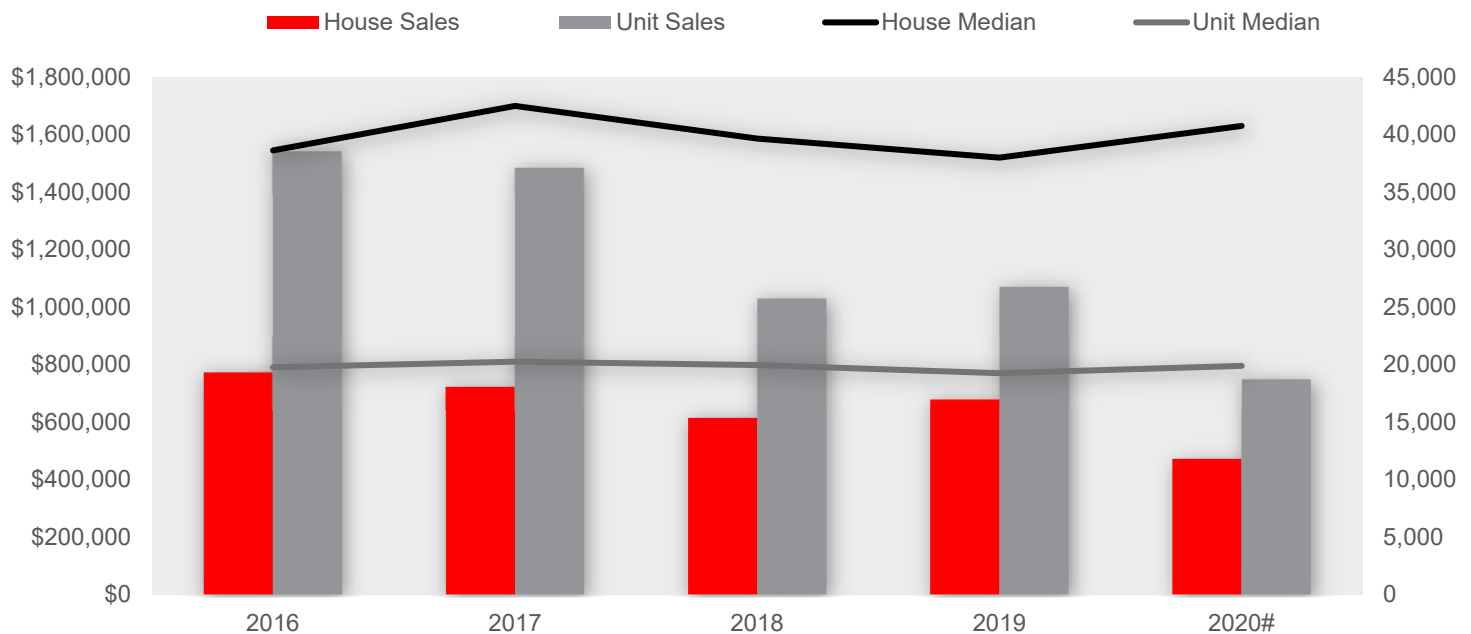


KEY COMMENTS

Average vendor discounts between Q3 2019 and Q3 2020 have further swung to a premium of 1.1% for houses, while continues to tighten to -2.0% for units. House market conditions in Sydney Metro have further shifted to favour vendors as buyers are willing to offer above initial list prices. Now is the time to sell.

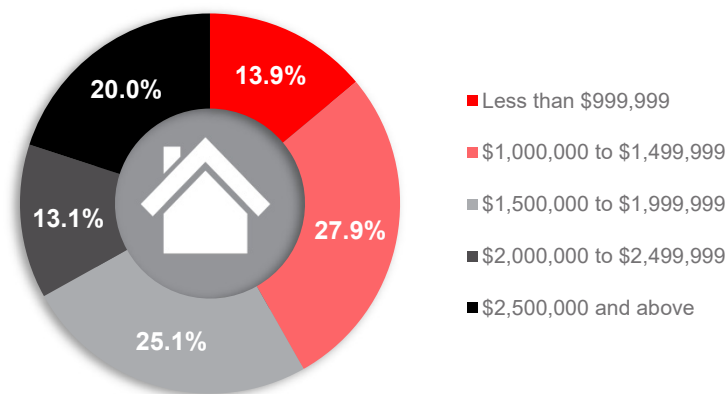
The dominant proportion of homes sold in Sydney Metro across 2020# were in the lower-middle price bracket of \$1,000,000-\$1,500,000 (27.9%). Units also recorded a dominant lower-middle price bracket of \$600,000-\$800,000 (32.2%). Despite Sydney Metro being known as a premium market, the current price breakdown suggests there are ample opportunities for first home buyers.

MARKET PERFORMANCE

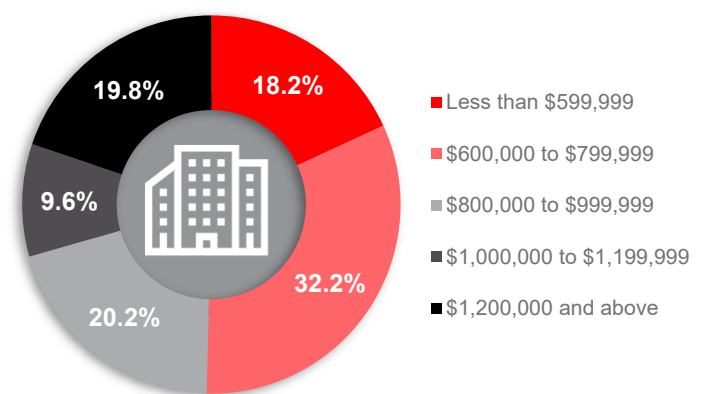


PRICE BREAKDOWN 2020#

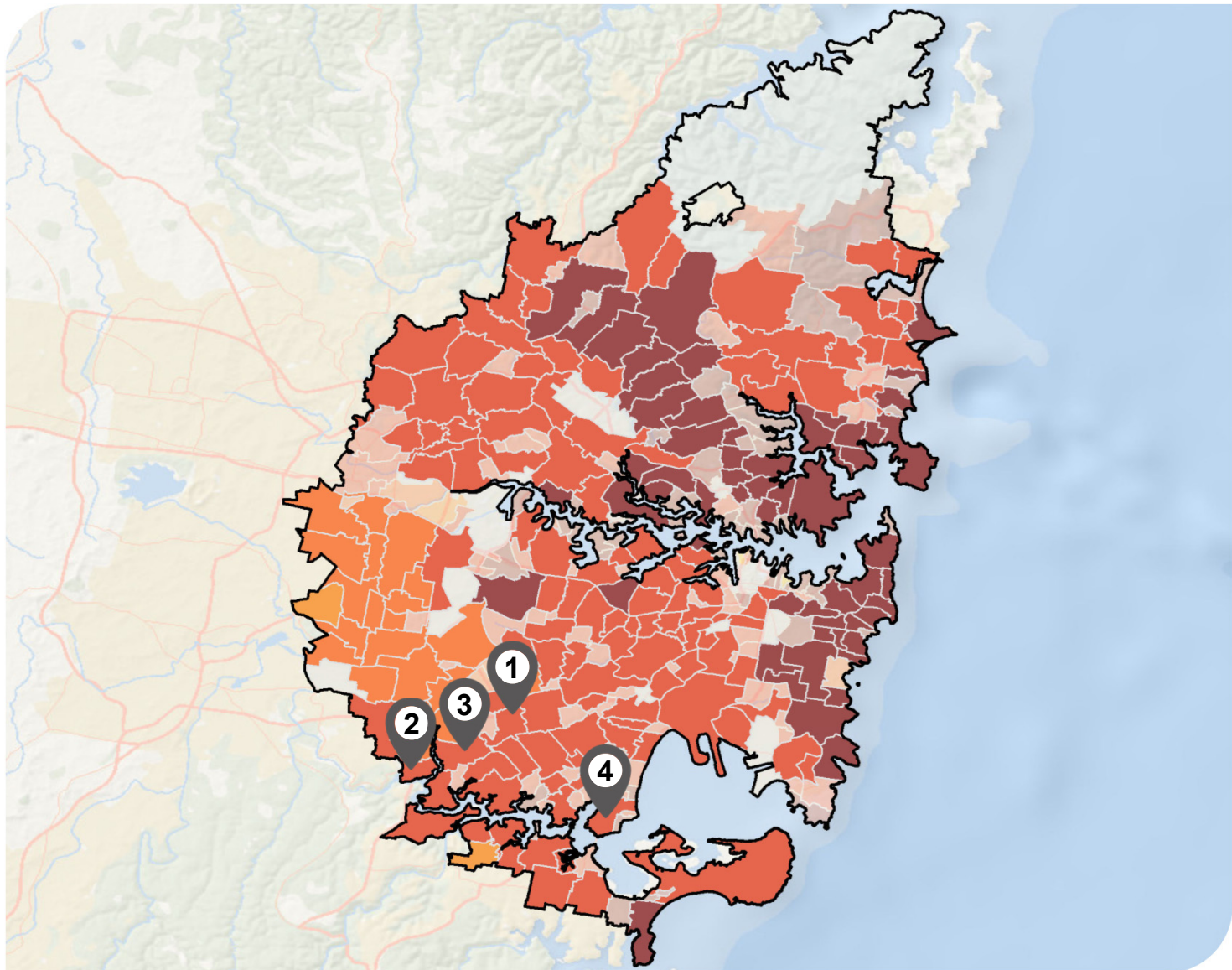
HOUSES SOLD



UNITS SOLD



SYDNEY METRO MEDIAN HOUSE PRICE 2020* 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
- Translucent colours for <20 sales

SYDNEY AFFORDABLE & LIVEABLE SUBURBS RENTAL YIELD

House			Unit		
Suburb		House	Suburb		Unit
1	Beverly Hills	2.5%	1	Beverly Hills	3.5%
2	Padstow Heights	3.0%	4	Sans Souci	3.2%
3	Peakhurst	2.5%	3	Peakhurst	3.5%

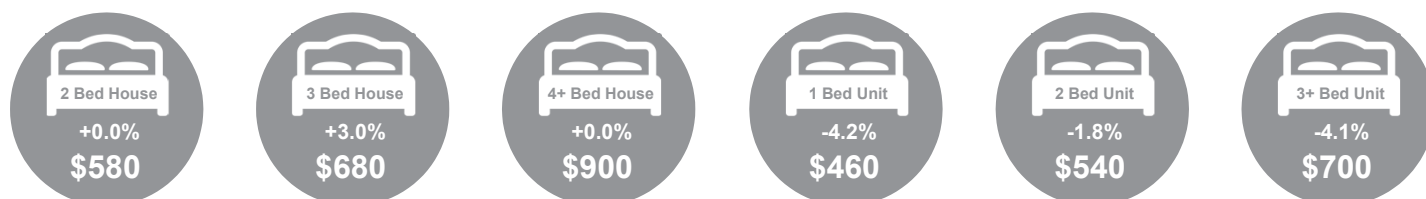
*House median price reflected in the heat-map captures sale transactions from 1st January 2020 to 30th September 2020.
Source: APM Pricerfinder, ESRI ArcGIS, SQM Research. © PRD Real Estate 2020.

RENTAL GROWTH 2020€

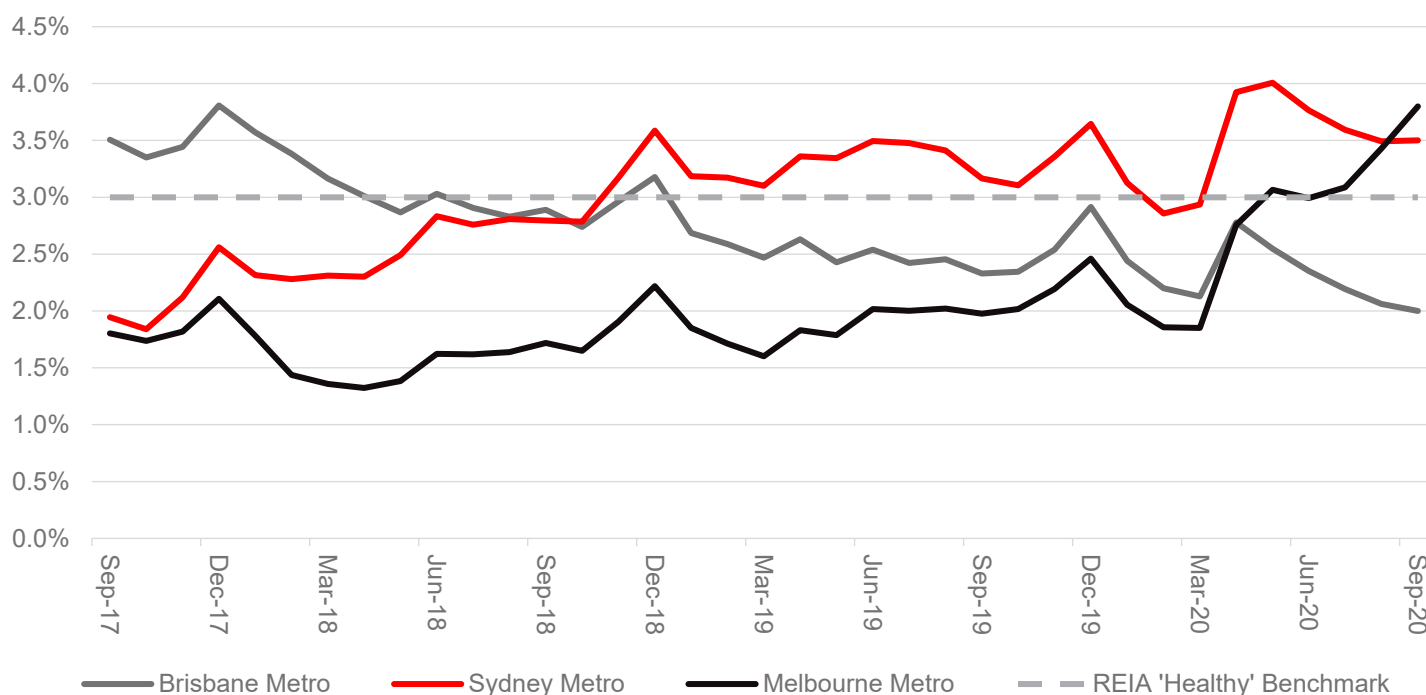
In September 2020, house rental yields in Sydney Metro were recorded at 2.4%. In the 12 months to Q3 2020, the median house rental price increased slightly to reach \$695 per week, while average days on the market declined by -24.1% (to 22 days). Overall, the Sydney Metro rental house market has remained surprisingly resilient throughout COVID-19.

Three-bedroom houses recorded the highest annual rental growth (of +3.0%) to reach \$680 per week. A softening in median unit rental prices was felt mostly in the 1 bedroom market. This is evidence of tighter household finances due to COVID-19 employment conditions, suggesting tenants may have opted for shared living in larger properties to reduce their rent.

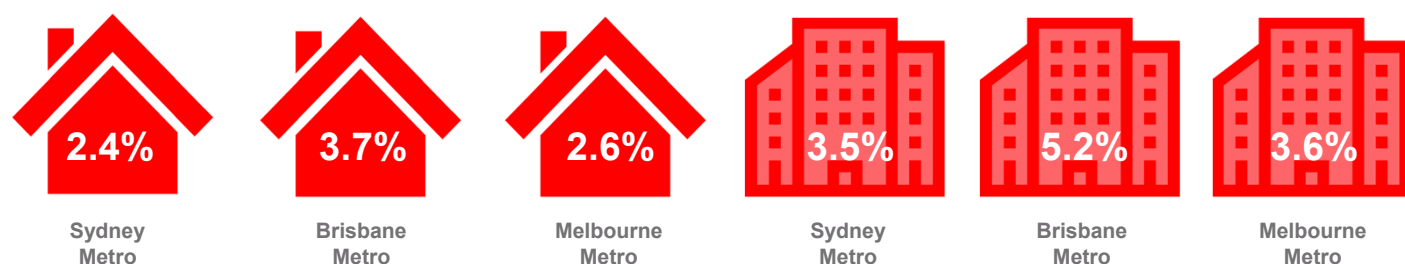
In September 2020, Sydney Metro recorded a vacancy rate of 3.5%, below that of Melbourne Metro (3.8%) but above Brisbane Metro (2.0%). Vacancy rates in Sydney Metro sit above the Real Estate Institute of Australia's healthy benchmark of 3.0%, which was also the case prior to COVID-19. Further, Sydney Metro's vacancy rate has shown a declining trend since peaking in May 2020 due to COVID-19, which provides investor with confidence in what is a historically strong market.



RENTAL VACANCY RATES 2020



RENTAL YIELD 2020\$



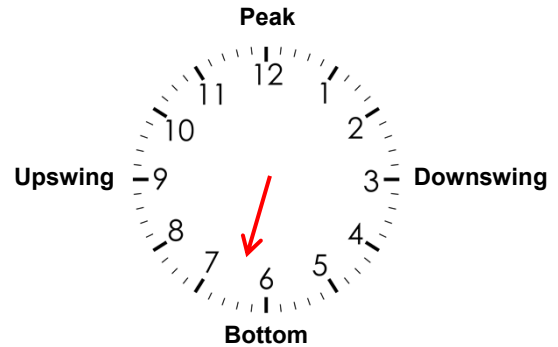
€ Annual rental growth is a comparison between 2019 and 2020 (01/01/2020 – 30/09/2020) house median rent figures.

\$ Rental yields shown are as reported at September 2020.

Source: APM Pricerfinder, SQM Research. © Copyright PRD Real Estate 2020.

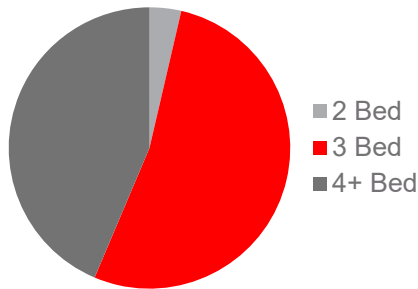


PROPERTY CLOCK - HOUSES



AFFORDABLE & LIVEABLE HOUSE SUBURBS

BEVERLY HILLS 2209

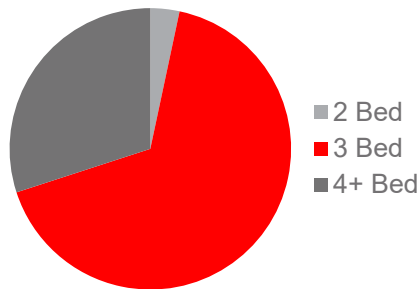


Located about **14.0km** from the Sydney CBD.

Median House Price	\$1,201,500
• 2 Bed Median Price	\$892,500*
• 3 Bed Median Price	\$1,100,000
• 4+ Bed Median Price	\$1,308,000

As the closest affordable and liveable suburb to the CBD, the south-western suburb of Beverly Hills offers owners positive median price growth of 2.0%** annually, with investors achieving an average rental yield of 2.5%. A low vacancy rate of 2.3% also highlights the suburb's rental market resilience. A low unemployment rate of 4.8% suggests a healthy local economy, as does an estimated \$9.6M^μ in project developments scheduled for the 2nd half of 2020. The \$5.0M^μ Beverly Hills Hotel refurbishment is one major commercial project for the area which is set to continue to enhance local resident's amenities, while also creating employment. Amenities such as public transport, education, and parks are nearby, highlighting Beverly Hills as a standout suburb.

PADSTOW HEIGHTS 2211

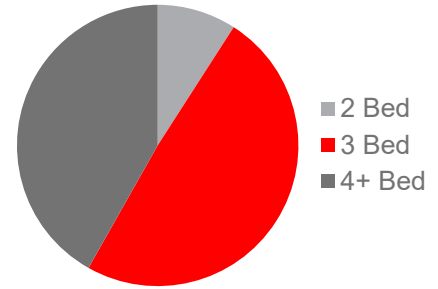


Located about **19.0km** from the Sydney CBD.

Median House Price	\$1,035,000
• 2 Bed Median Price	\$1,250,500*
• 3 Bed Median Price	\$940,000
• 4+ Bed Median Price	\$1,165,500*

Along the picturesque Georges River and in Sydney's south-west, Padstow Heights has proven to be a top affordable and liveable suburb which recorded exceptionally strong annual median house price growth of 18.0%**^μ. A very low vacancy rate of just 0.7% will be extremely attractive to investors, as will a healthy average house rental yield of 3.0%. About \$12.0M^μ in proposed development for the 2nd half of 2020 will create local employment improving an already low unemployment rate of 4.8%. A very low crime rate is also good news for residents, as is the range of nearby amenities which locals can access, including schools, shopping, public transport, and more. Parks and nature reserve provide the area with ample green space.

PEAKHURST 2210



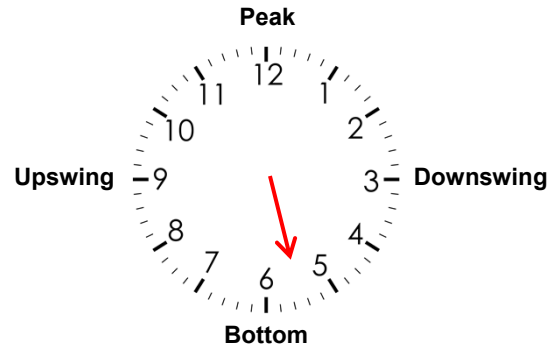
Located about **16.0km** from the Sydney CBD.

Median House Price	\$1,150,000
• 2 Bed Median Price	\$815,000*
• 3 Bed Median Price	\$969,000
• 4+ Bed Median Price	\$1,267,500

Having appeared in three previous guides (the *2nd Half 2018*^μ, *1st Half 2019*[€], and *1st Half 2020*^μ), Peakhurst is no stranger to the limelight of being considered one of the top affordable and liveable suburbs. With steady annual median price growth of 5.0%**^μ, Peakhurst is set to see an estimated \$23.3M^μ in projects commence in the 2nd half of 2020, with new residential stock and infrastructure continuing to be key. Average rental yields of 2.5% for houses (above Sydney Metro's 2.4%) and a vacancy rate of just 1.5% (well below Sydney Metro's 3.5%) are seen as attractive to investors, while a low crime rate is also comforting for investors and residents alike. A low unemployment rate of just 3.8% is also good news for local economic health of Peakhurst locally.

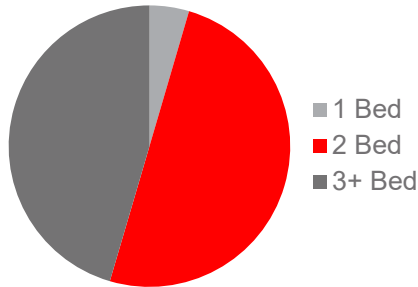


PROPERTY CLOCK - UNITS



AFFORDABLE & LIVEABLE UNIT SUBURBS

BEVERLY HILLS 2209

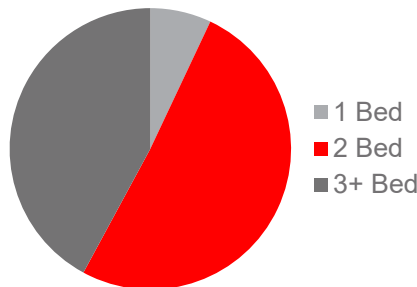


Located about **14.0km** from the Sydney CBD.

Median Unit Price	\$752,500
• 1 Bed Median Price	\$840,000*
• 2 Bed Median Price	\$645,000*
• 3+ Bed Median Price	\$760,000*

Beverly Hills is well placed as an affordable and liveable suburb, featuring for both houses and units for the 2nd half of 2020. The suburb achieves strong median unit price growth of 17.3%** annually, which is exceptional given COVID-19's impacts on the local market. Investors have benefited from average rental yields of 3.5%. Adding to this is Beverly Hills' low vacancy rate of 2.3%, highlighting a healthy balance of tenant demand and investor supply in the area. Low unemployment of just 4.8% and low crime rates are positive local economic indicators, as is an estimated \$9.6M[^] in projects set to commence in the 2nd half of 2020. Amenities that cement Beverly Hills as top suburb include a golf course, train station and main arterial roads.

SANS SOUCI 2219

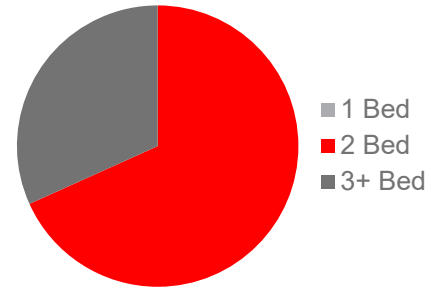


Located about **14.7km** from the Sydney CBD.

Median Unit Price	\$782,500
• 1 Bed Median Price	\$501,250*
• 2 Bed Median Price	\$675,000
• 3+ Bed Median Price	\$849,250

In Sydney's south in Botany Bay, Sans Souci is a suburb which is affordable and liveable for residents. The median unit price recorded 9.4%** growth annually. Investors benefited from a low vacancy rate of 1.4% (the lowest of all top unit suburbs) and an average unit rental yield of 3.2% (slightly below Sydney Metro's 3.5%). An estimated \$28.3M in projects set to commence in the 2nd half of 2020 will help create local employment, which will in turn bolster the already low rate of unemployment of 3.6%. Low crime is also a feature of the suburb, which in conjunction with nearby amenities such as schools, parks, shops, health care services, and public transport, highlight the liveable nature of the area for residents of Sans Souci, and the real value on offer to buyers.

PEAKHURST 2210

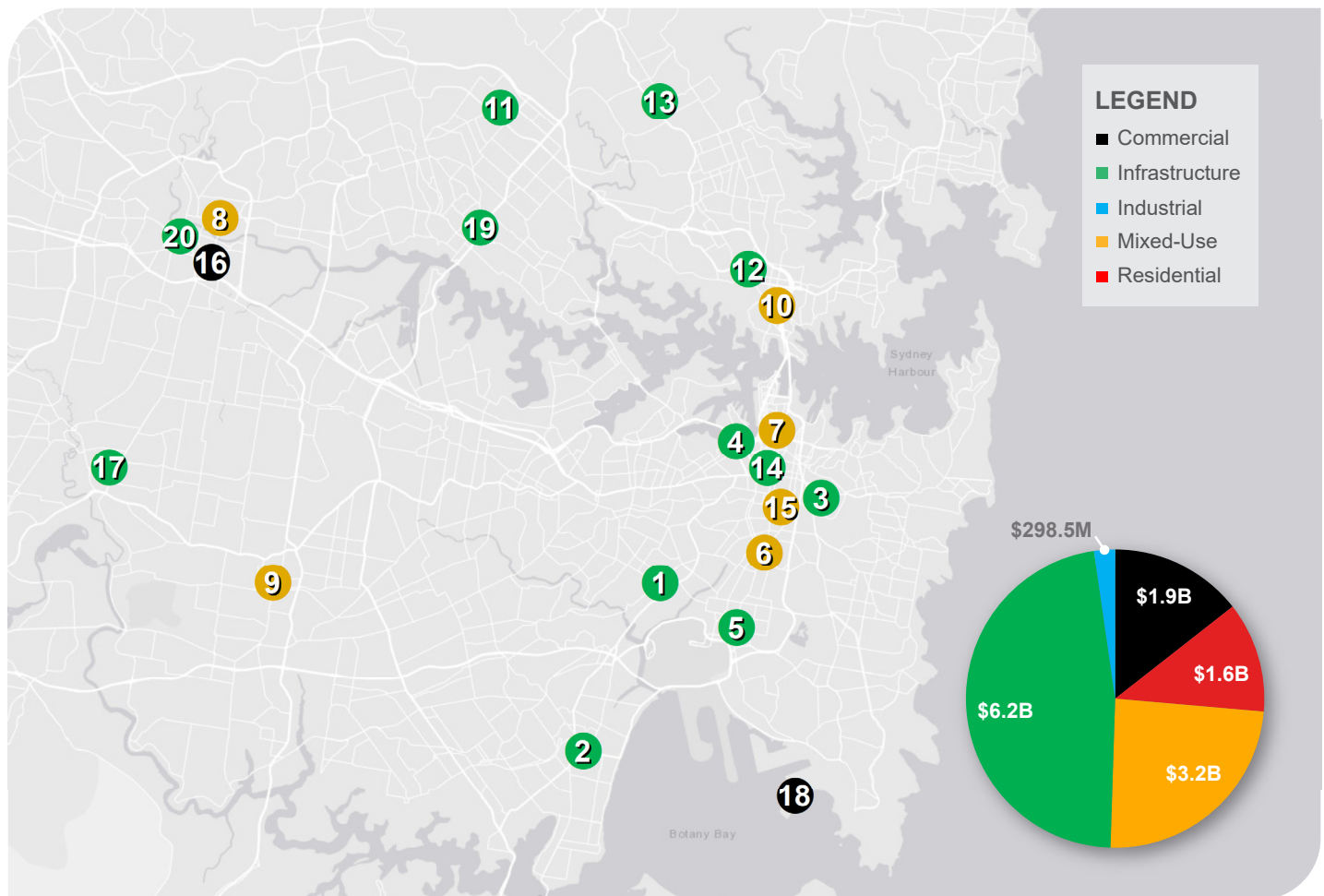


Located about **16.0km** from the Sydney CBD.

Median Unit Price	\$680,000
• 1 Bed Median Price	N/A
• 2 Bed Median Price	\$725,000
• 3+ Bed Median Price	\$1,005,000

Peakhurst is also featured twice in the 2nd half of 2020 guide as an affordable and liveable suburb, for houses and units. The area has achieved a healthy rate of median price growth for units, up by 4.6% annually**. An average rental yield of 3.5% for units is on-par with the wider Sydney Metro area, which suggests investors can be confident of market-level returns. At the same time, a low vacancy rate of 1.5% is a positive indicator of ongoing rental demand in the area. Unemployment of 3.8% and an estimated \$23.3M[^] of projects for the 2nd half of 2020 are indicators of economic health, in good news for both residents and investors. A key project includes the \$10.0M[^] LAHC Peakhurst infrastructure project which will create public housing units.

PROJECT DEVELOPMENT MAP 2ND HALF 2020*



Location	Project [£]	Type	Estimated Value ^µ	Suburb
1	Sydney Metro City & Southwest - Component 2	Infrastructure	\$1,000,000,000	Bankstown
2	M6 Extension Stage 1	Infrastructure	\$1,000,000,000	Kogarah
3	Sydney Football Stadium (Allianz Stadium)	Infrastructure	\$729,000,000	Moore Park
4	More Trains More Services	Infrastructure	\$600,000,000	Sydney
5	Waterloo Metro Quarter Over Station Development - Overall Concept Plan	Infrastructure	\$299,000,000	Waterloo
6	Green Square Town Centre - Sites 8c, 8d, 19a & 19b (514 Apartments)	Mixed-Use	\$298,064,000	Zetland
7	Market Street Mixed Development - The Atrium (101 Apartments)	Mixed-Use	\$295,900,000	Sydney
8	George Street Mixed Use Development (753 Units)	Mixed-Use	\$228,808,000	Parramatta
9	Poly Bankstown - Spring Square (516 Apartments)	Mixed-Use	\$215,433,000	Bankstown
10	Walker St Mixed Development (415 Apartments)	Mixed-Use	\$207,000,000	North Sydney
11	Macquarie University Innovation Hub	Infrastructure	\$200,000,000	Macquarie Park
12	Hume Street Park	Infrastructure	\$190,000,000	Crows Nest
13	Lindfield Village Hub	Infrastructure	\$150,000,000	Lindfield
14	Sydney Metro Pitt Street (South) Over Station Development	Infrastructure	\$149,880,000	Sydney
15	Surry Hills Shopping Village Site (154 Apartments)	Mixed-Use	\$147,877,000	Redfern
16	University Of Western Sydney & UNSW Engineering Innovation Quarter	Commercial	\$122,774,000	Parramatta
17	Kamira Court	Infrastructure	\$120,000,000	Villawood
18	Vopak Bulk Liquids Facility Site B4	Commercial	\$116,000,000	Port Botany
19	Ryde Civic Centre - The New Heart Of Ryde	Infrastructure	\$108,949,000	Ryde
20	New Parramatta Road	Infrastructure	\$100,000,000	Parramatta

ABOUT PRD RESEARCH

PRD 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, PRD 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 customised 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.

PRD does not give any warranty in relation to the accuracy of the information contained in this report. If you intend to rely upon the information contained herein, you must take note that the information, figures and projections have been provided by various sources and have not been verified by us. We have no belief one way or the other in relation to the accuracy of such information, figures and projections. PRD will not be liable for any loss or damage resulting from any statement, figure, calculation or any other information that you rely upon that is contained in the material. Prepared by PRD Research © All medians and volumes are calculated by PRD Research. Use with written permission only. All other responsibilities disclaimed.



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

PRD Research

T +61 7 3229 3344

E research@prd.com.au

PRD.com.au

