



# Panania & Surrounds Market Update 2nd Half 2020



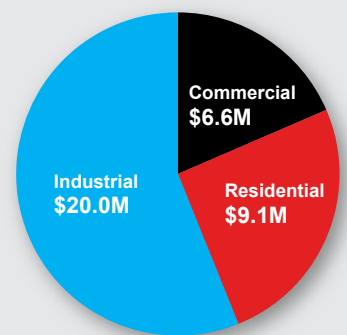
## OVERVIEW

In Q3 2020, Panania\* recorded a median house price of \$990,000, and a median unit price of \$831,500. This represents annual (Q3 2019 – Q3 2020) median price growth of 4.2% for houses and a 14.7% for units. Between Q3 2019 – Q3 2020 total house sales softened, by -29.2% (to 126 sales), while units remained stable (47 sales). Less house sales could be due to low stock on the market, which when combined with median price growth suggests an undersupply. Overall an increase property prices are in contrast to general COVID-19 predictions, thus there is high resilience in the Panania\* market.

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

## FUTURE DEVELOPMENTS

Panania\* is set to see approximately **\$35.7M** worth of new projects commence in the 2nd half of 2020.



A focus on industrial and commercial projects will stimulate economic growth by encouraging new employment opportunities in Panania\*, which should have a positive impact on the real estate market. Residential projects will add to the housing supply.

## MARKET CONDITIONS

### SALES MEDIAN PRICE Q3 2020



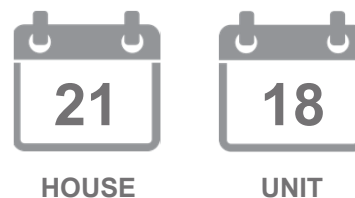
### SALES AVERAGE DAYS ON MARKET Q3 2020



### RENTAL MEDIAN PRICE Q3 2020



### RENTAL AVERAGE DAYS ON MARKET Q3 2020

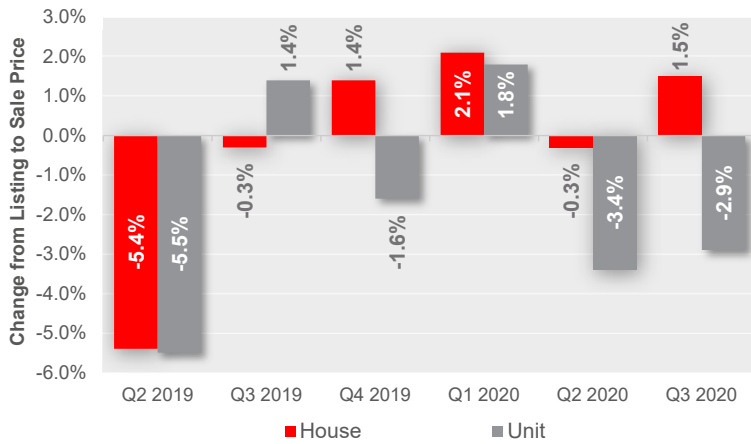


A main commercial project over the 2nd half of 2020 is the construction of the three-storey Henry Lawson Drive Seniors Living Units (\$6.0M), which will create 15 new units in stage one. This will attract a new demographic into the area and jobs. Key residential projects for the period include: Hydrae Street Dwellings (\$1.8M, 6 dwellings), Haddon Crescent Townhouses (\$1.5M, 5 townhouses), and Albert St Dwellings (\$1.5M, 6 dwellings). These projects will create new housing stock to ensure price growth occur at sustainable levels.



# AVERAGE VENDOR DISCOUNT\* KEY COMMENTS

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.

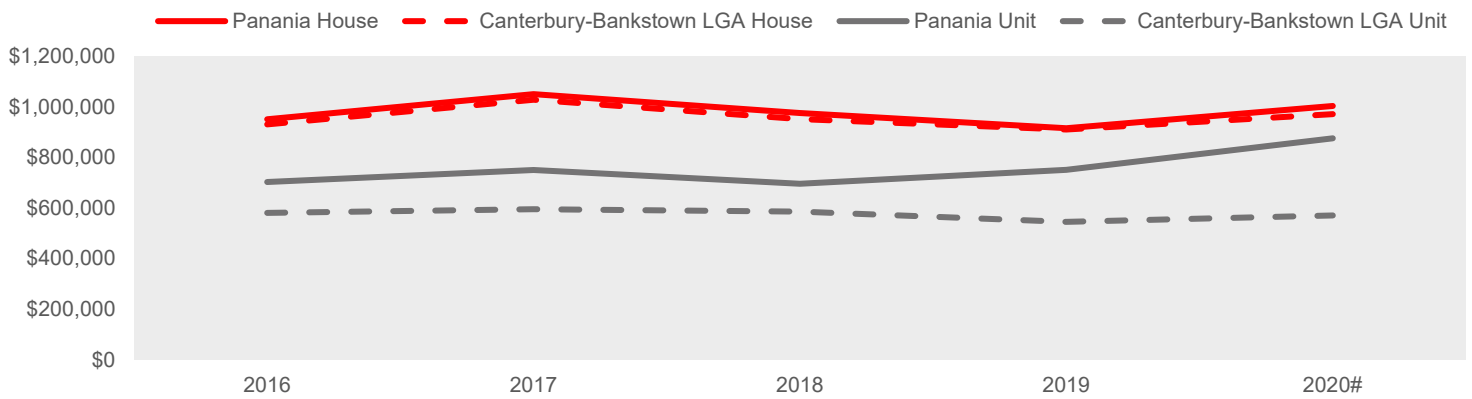


Average vendor discounts between Q3 2019 and Q3 2020 have swung to a premium of 1.5% for houses, and to a discount of 2.9% for units. House market conditions in Panania\* have now shifted to favour vendors, as buyers are willing to offer above the initial listing price. Unit buyers can now benefit from a discount, thus an ideal time to enter the market.

The suburb of Panania has historically outperformed the Canterbury-Bankstown Local Government Area (LGA) in unit median prices, while sitting quite close in median house price. This continues in 2020#.

The dominant proportion of homes sold in Panania\* in 2020^ were in the lower-middle price bracket of \$900,000-\$1,000,000 (32.1%). Units also recorded a dominant lower-middle price bracket of \$650,000-\$750,000 (36.0%). There are still affordable stock in the market, which is good news for first home buyers.

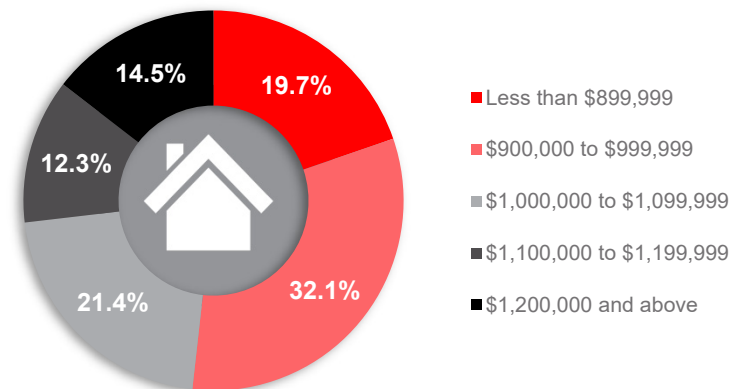
## MARKET COMPARISON



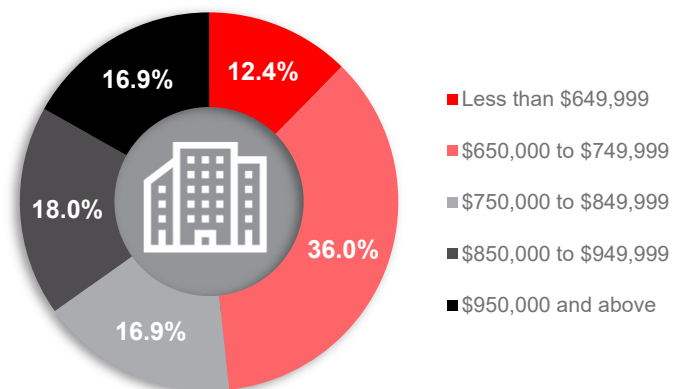
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on its proximity to the main suburb analysed, which is Panania.

## PRICE BREAKDOWN 2020^

### HOUSES SOLD



### UNITS SOLD

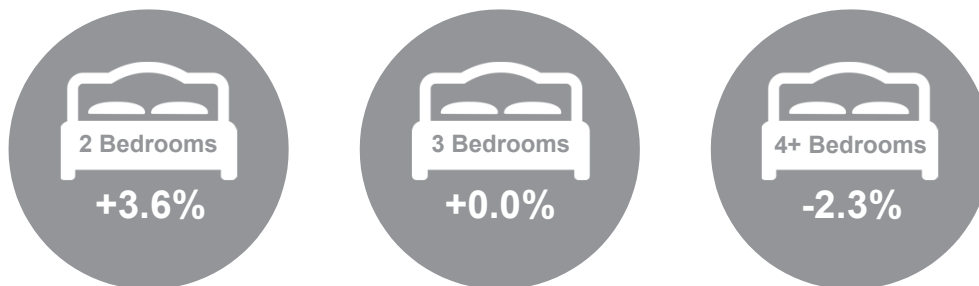


## RENTAL GROWTH 2020€

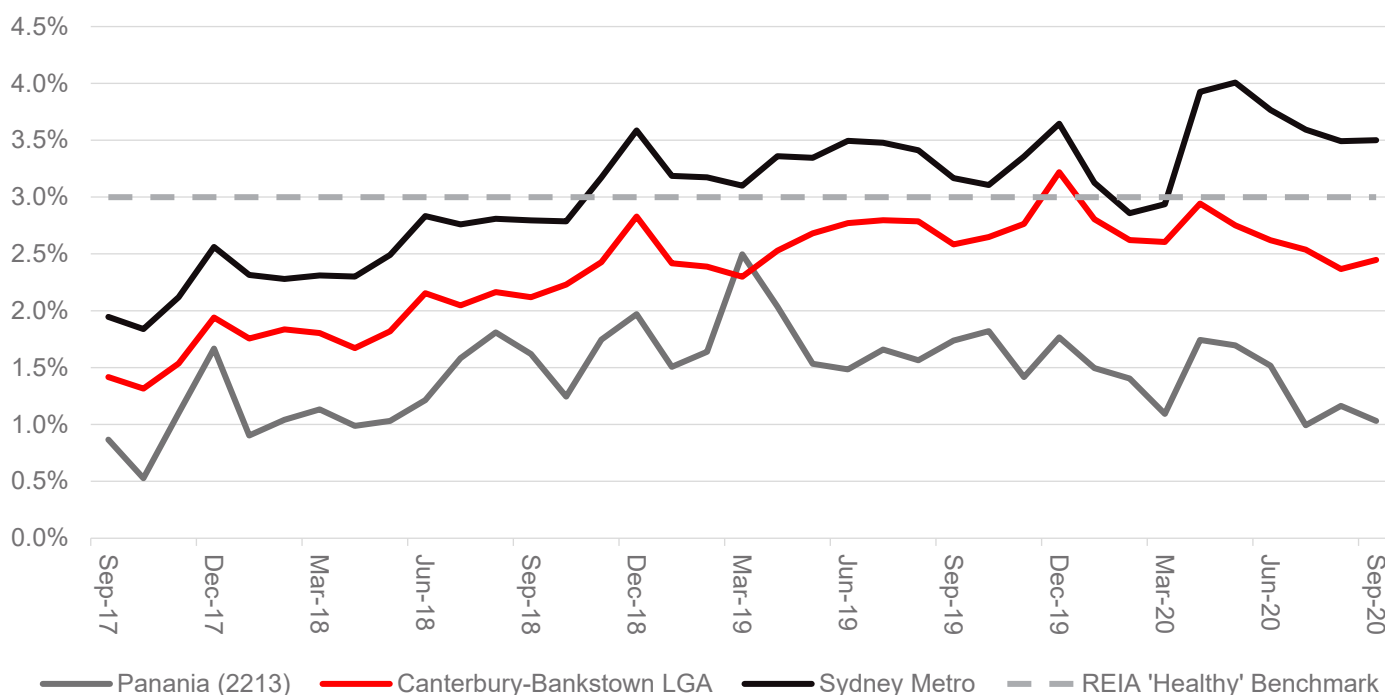
In September 2020, house rental yields in Panania\* were recorded at 2.9%. In the 12 months to Q3 2020, the median house rental price increased to \$545 per week, while average days on the market declined by -25.0% (to 21 days). Overall this suggests Panania\* has proven a resilient rental market throughout COVID-19.

2 bedroom houses have provided investors with +3.6% rental growth annually, achieving a median rent of \$435 per week.

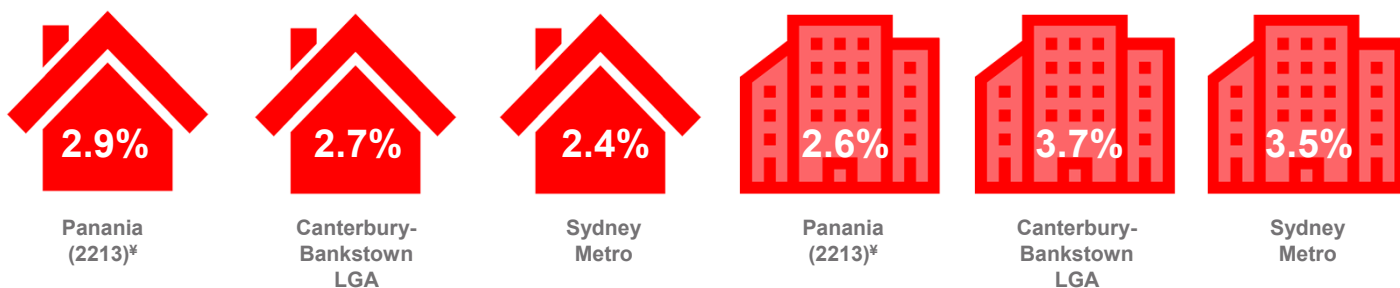
Also in September 2020, Panania\* recorded a very low vacancy rate of 1.0%, well below Canterbury-Bankstown LGA (2.4%) and Sydney Metro (3.5%). Vacancy rates in Panania\* also remain well below the Real Estate Institute of Australia's healthy benchmark of 3.0%, and continuing on a declining trend even amidst COVID-19 conditions. This confirms there is a healthy ongoing rental demand in Panania\*, suggesting investors can be confident of a conducive investment environment.



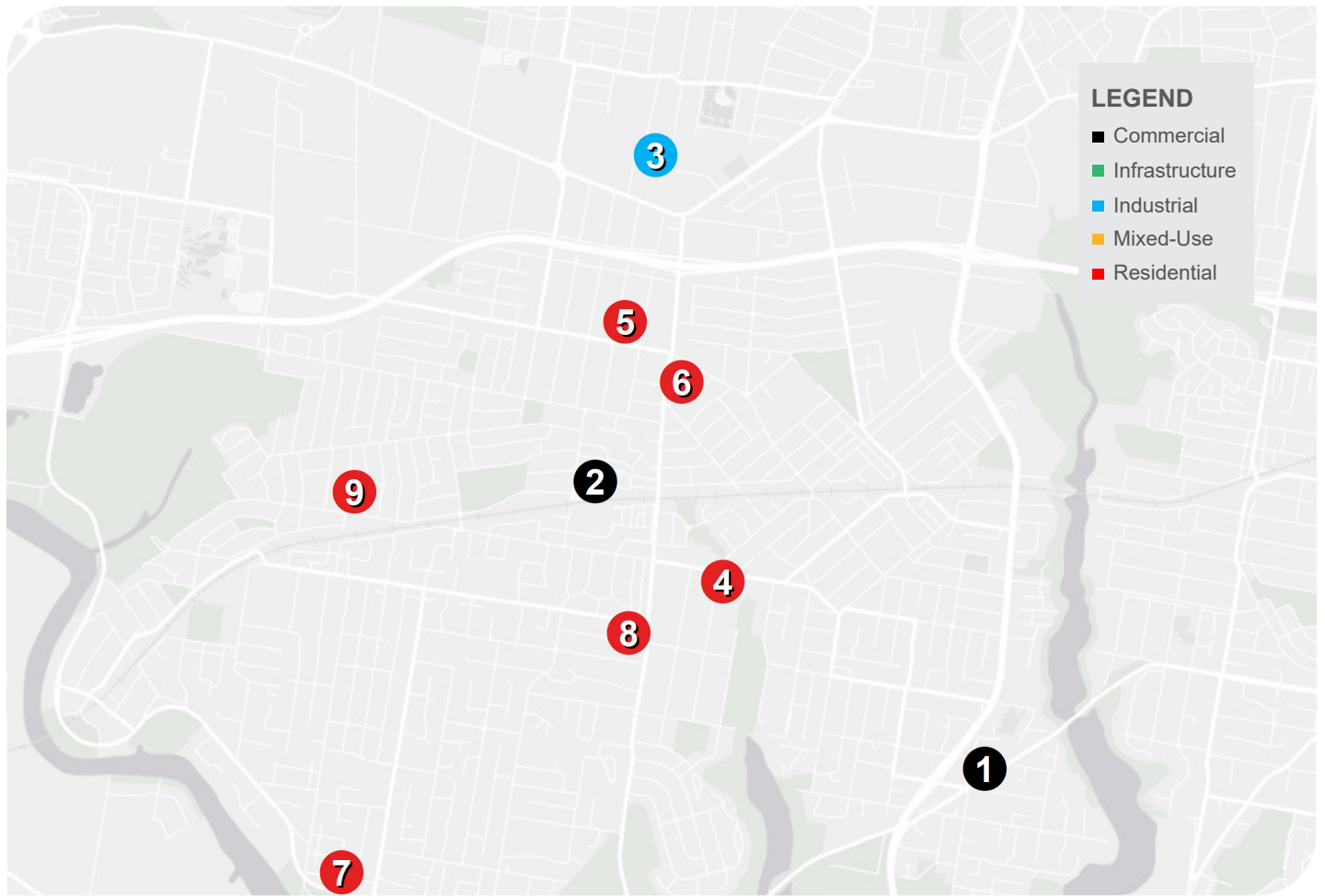
## RENTAL VACANCY RATES 2020



## RENTAL YIELD 2020\$



# PROJECT DEVELOPMENT MAP 2ND HALF 2020\*



Location	Project <sup>£</sup>	Type	Estimated Value <sup>¥</sup>	Commence Date <sup>ψ</sup>
1	Henry Lawson Drive Seniors Living Units	Commercial	\$6,000,000	03/08/2020
2	Woolworths Revesby	Commercial	\$600,000	04/09/2020
3	The Mavis Quad	Industrial	\$20,000,000	20/11/2020
4	Hydrae Street Dwellings (6 Dwellings)	Residential	\$1,750,000	01/10/2020
5	Albert Street Dwellings (6 Dwellings)	Residential	\$1,500,000	22/09/2020
6	Haddon Crescent Townhouses (5 Townhouses)	Residential	\$1,500,000	24/12/2020
7	Doris Street Residential Development (3 Villas, 2 Townhouses)	Residential	\$1,500,000	05/10/2020
8	Rowland Street Dwellings (5 Dwellings)	Residential	\$1,500,000	04/11/2020
9	Anderson Avenue Dwellings (6 Dwellings)	Residential	\$1,300,000	13/10/2020

## 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.



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# REFERENCES

\* Panania market data and key indicators encapsulates aggregate property market conditions within the suburbs of Panania, East Hills, Padstow, Picnic Point, Revesby, Milperra.

\*\* Estimated values are based on construction value provided by the relevant data authority and does not reflect commercial and/or re-sale value.

# 2020 encapsulates sales transactions for 2020 (01/01/2020 – 30/09/2020) only.

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€ Annual rental growth is a comparison between 2019 (01/01/2019 – 30/06/2019) and 2020 (01/01/2020 – 30/09/2020) house median rent figures.

¥ Panania market data encapsulates aggregate property conditions within the postcode of 2213.

§ Rental yields shown are as reported at September 2020.

⌘ 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 suburbs of Panania, East Hills, Padstow, Picnic Point, Revesby, Milperra.

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

ψ Commencement date quoted for each project is an approximate only, as provided by the relevant data authority, PRD does not hold any liability to the exact date.

Source: APM Pricerfinder, Cordell Connect database, SQM Research, ESRI ARCGIS.

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