



Penrith Market Update 2nd Half 2020



OVERVIEW

In Q3 2020, Penrith* recorded a median house price of \$690,000, and a median unit price of \$481,500. This represents annual (Q3 2019 – Q3 2020) median price growth of 4.6% for houses of 1.4% for units. Between Q3 2019 – Q3 2020 total sales in both markets slowed, by -10.6% for houses (to 530 sales) and by -24.8% for units (to 218 sales). Lower demand may be a reflection of COVID-19 restrictions, however positive price growth suggest a potential undersupply in the market. With median prices up and currently limited competing stock, now is an ideal to sell your home in Penrith*.

	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 2020



SALES AVERAGE DAYS ON MARKET Q3 2020



RENTAL MEDIAN PRICE Q3 2020

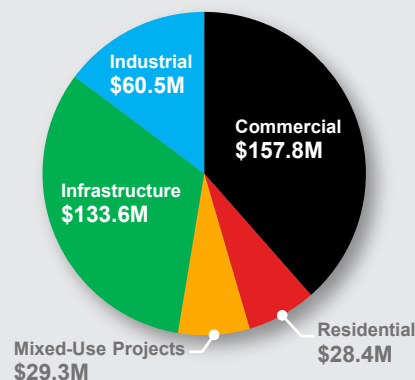


RENTAL AVERAGE DAYS ON MARKET Q3 2020



FUTURE DEVELOPMENTS

Penrith* is set to see approximately **\$409.6M** worth of new projects commence in the 2nd half of 2020.



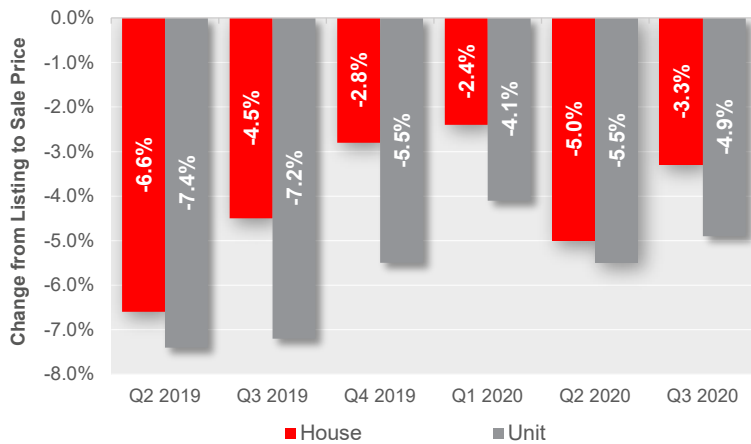
A wide variety of project types in Penrith* will help ensure the local economy continues to grow, through improved amenities and local jobs created. There is new dwelling stock planned, but this is the smallest percentage of near future development. This indicates that there is limited incoming supply, which may push up prices even higher.

A main commercial project over the 2nd half of 2020 is 50 Belmore, a \$50.2M commercial building set across eight levels, including ground floor food and beverage tenancies. This will create new local employment, in good news for residents. The \$30.0M Soper Place Office & Carpark infrastructure project will create new public spaces, a playground, gardens, and more, which will improve local amenities. 141 units/apartments are planned for the period, which is a clear slowdown in supply compared to that seen previously in Penrith*. An example of a key residential project for the period is Markham Avenue Units (49 units, \$12.5M).



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.

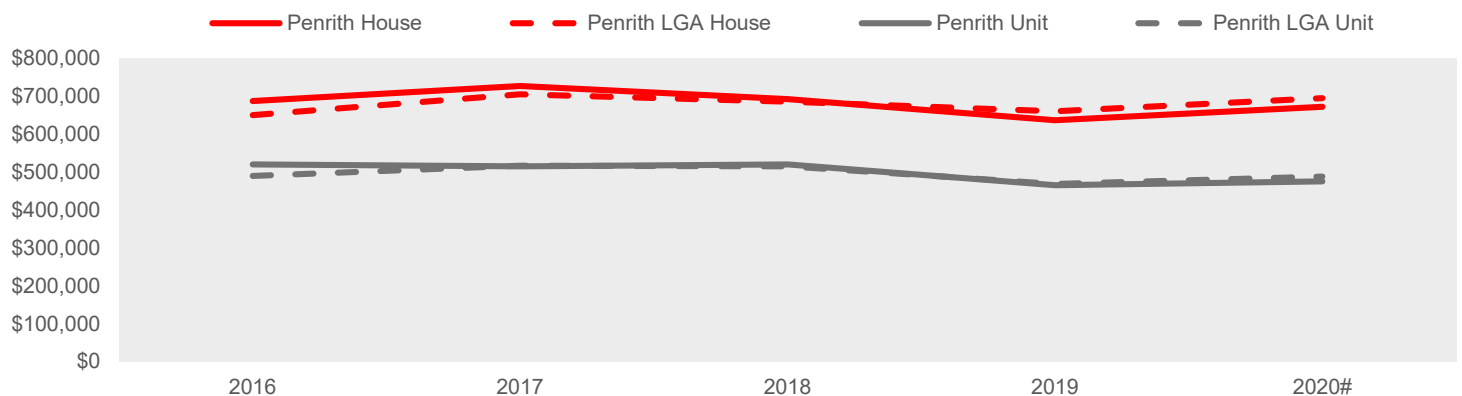


Average vendor discounts between Q3 2019 and Q3 2020 have tightened for both property types, to -3.3% for houses and -4.9% for units. Penrith* provide unique opportunities. Sellers can achieve a final sale price closer to their first list price, whilst buyers can still benefit from a discount. Now is the time to transact.

The suburb of Penrith has historically performed very closely to the wider Penrith Local Government Area (LGA), in both house and unit median prices. This continues to be the case in 2020#.

The dominant proportion of homes sold in Penrith* across 2020^ were in the lower-middle price bracket of \$600,000-\$700,000 (34.5%), while units recorded a dominant premium price point of above \$550,000 (22.8%). There is a healthy spectrum of prices evident in the market, which will allow both first home buyers and seasoned investors to enter the market.

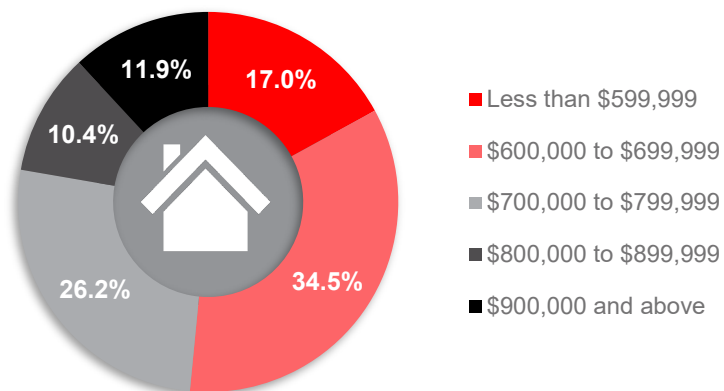
MARKET COMPARISON



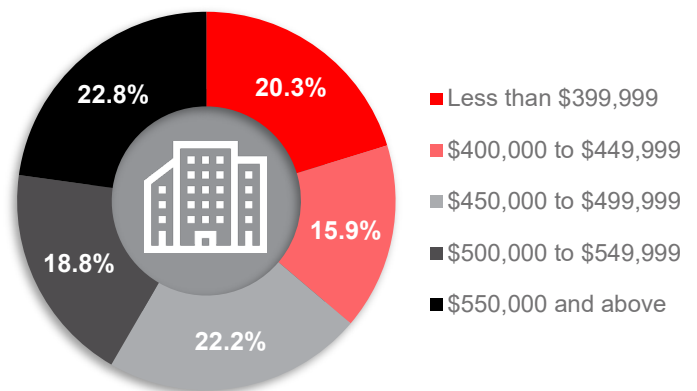
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on its proximity to the main suburb analysed, which is Penrith.

PRICE BREAKDOWN 2020^

HOUSES SOLD



UNITS SOLD



RENTAL GROWTH 2020€

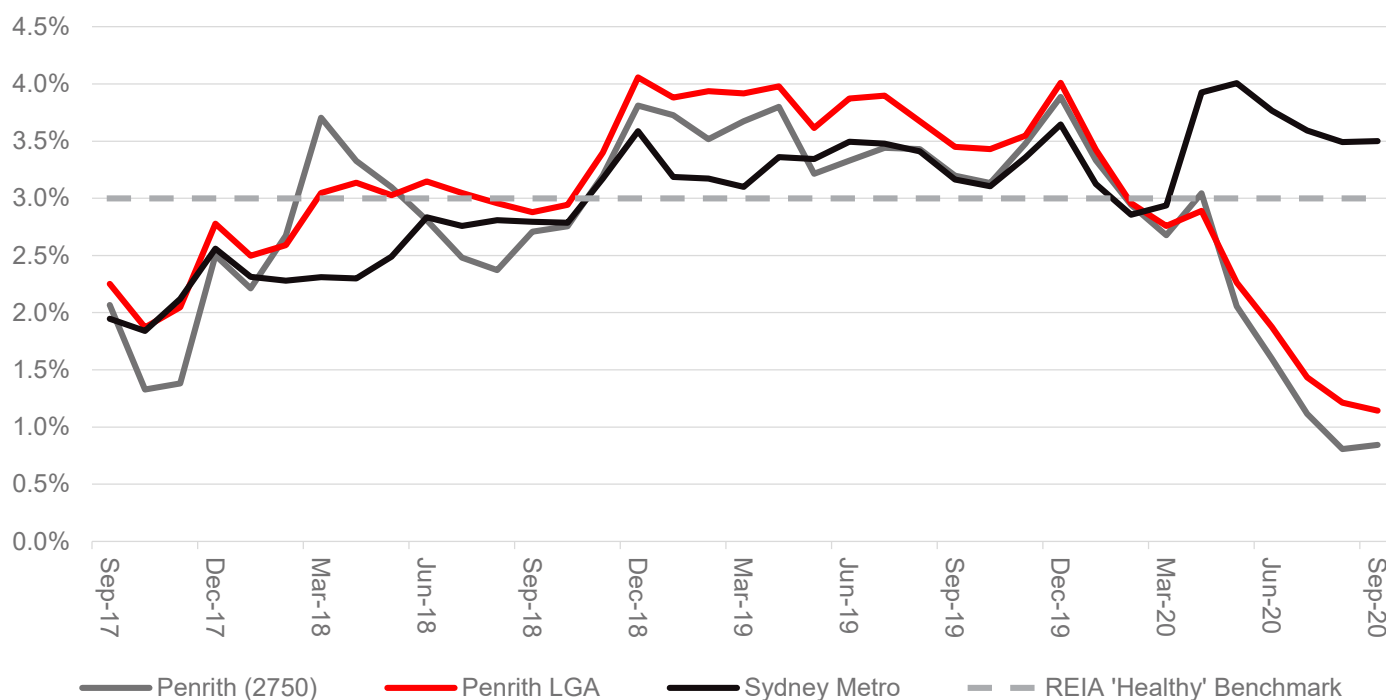
In September 2020, house rental yields in Penrith* were recorded at 3.2%. In the 12 months to Q3 2020, the median house rental price has remained stable at \$450 per week, however average days on the market declined by -38.7% (to 19 days). Overall, Penrith* has exhibited resilience in its rental market throughout COVID-19.

4+ bedroom houses have provided investors with +1.9% rental growth annually, with a median rent of \$550 per week.

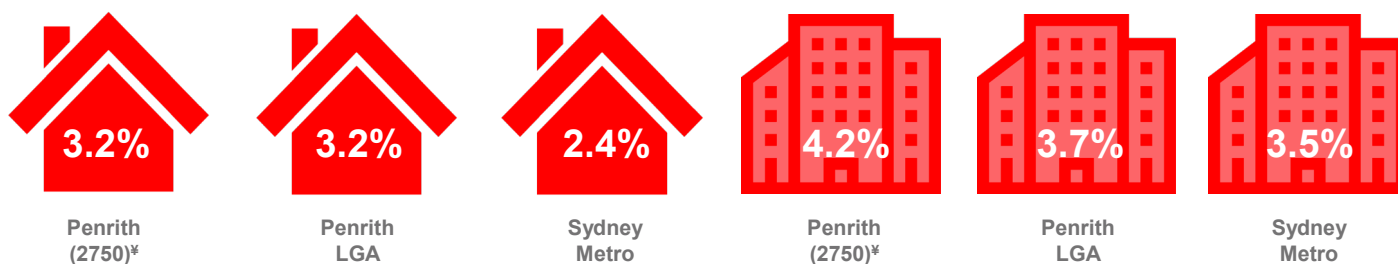
Also in September 2020, Penrith* recorded an extremely low vacancy rate of 0.8%, well below Sydney Metro (3.5%). Vacancy rates in Penrith* have shown a sharp decline since December 2019 (pre-COVID-19) and March 2020 (peak of COVID-19), remaining well below the Real Estate Institute of Australia's healthy benchmark of 3.0%. This confirms there is exceptionally strong rental demand in Penrith* and a conducive environment for investors.



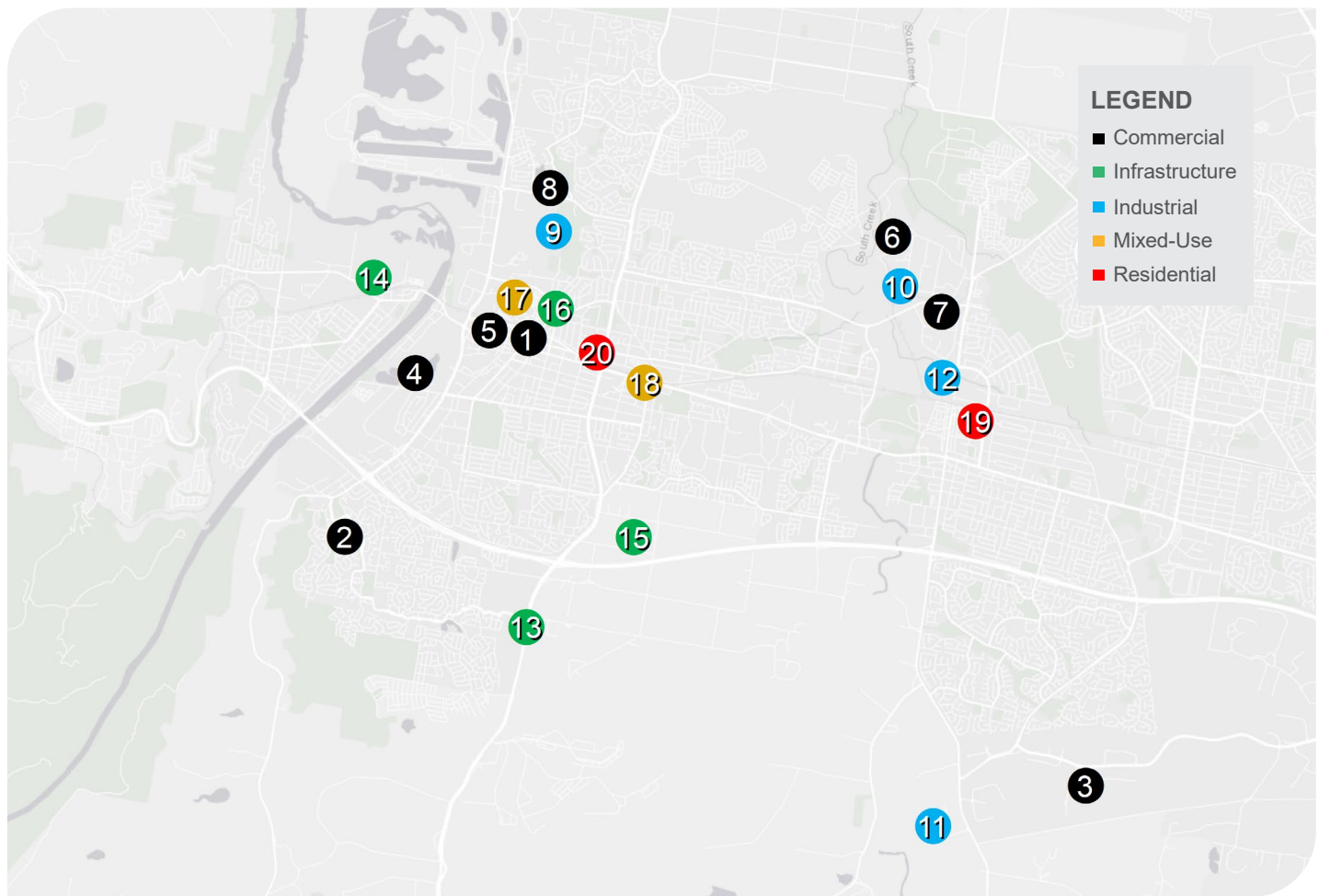
RENTAL VACANCY RATES 2020



RENTAL YIELD 2020\$



PROJECT DEVELOPMENT MAP 2ND HALF 2020*



Location	Project [£]	Type	Estimated Value [¥]	Commence Date [Ⓜ]
1	50 Belmore	Commercial	\$50,150,000	02/09/2020
2	Opal Specialist Aged Care	Commercial	\$39,917,000	01/09/2020
3	Digital Realty	Commercial	\$29,343,000	11/11/2020
4	Penrith Panthers Serviced Apartments - WSCCC	Commercial	\$20,000,000	14/12/2020
5	Westfield Penrith Shopping Centre	Commercial	\$10,702,000	20/11/2020
6	East West Connector Road	Commercial	\$4,181,000	06/08/2020
7	Remondis	Commercial	\$2,038,000	16/09/2020
8	KFC Cranebrook	Commercial	\$1,500,000	17/12/2020
9	Andrews Road Warehouse & Distribution Facility	Industrial	\$37,952,000	09/10/2020
10	Borg Manufacturing	Industrial	\$9,600,000	28/08/2020
11	Distribution Drive Industrial Units	Industrial	\$8,807,000	20/12/2020
12	Forrester Road Warehouses	Industrial	\$4,130,000	03/09/2020
13	Naval Guided Weapons Maintenance Facilities (NGWMF)	Infrastructure	\$75,000,000	24/08/2020
14	Soper Place Office & Carpark	Infrastructure	\$30,000,000	08/12/2020
15	N2269 Nulka Active Missile Decoy (AMD) Assembly & Maintenance Facility	Infrastructure	\$25,000,000	21/12/2020
16	Soper Place Infrastructure	Infrastructure	\$2,343,000	19/11/2020
17	Penrith Council Civic Centre	Infrastructure	\$1,270,000	19/10/2020
18	Engineers Place Mixed Use Development	Mixed-use	\$29,308,000	18/07/2020
19	LAHC St Marys (44 Units)	Residential	\$15,919,000	01/10/2020
20	Markham Avenue Units (49 Units)	Residential	\$12,501,000	16/08/2020

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.



Darren Latty, Principal
M +61 414 620 532
E darren@prd.net.au

PRD Penrith
P +61 2 4732 3711

379 High Street
Penrith NSW 2750

PRD.com.au/penrith

REFERENCES

* Penrith market data and key indicators encapsulates aggregate property market conditions within the Penrith Local Government Area (LGA).

** 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.

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

€ 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.

¥ Penrith market data encapsulates aggregate property conditions within the postcode of 2750.

§ 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 Penrith LGA.

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.

Disclaimer: 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. © Copyright PRD 2020.