

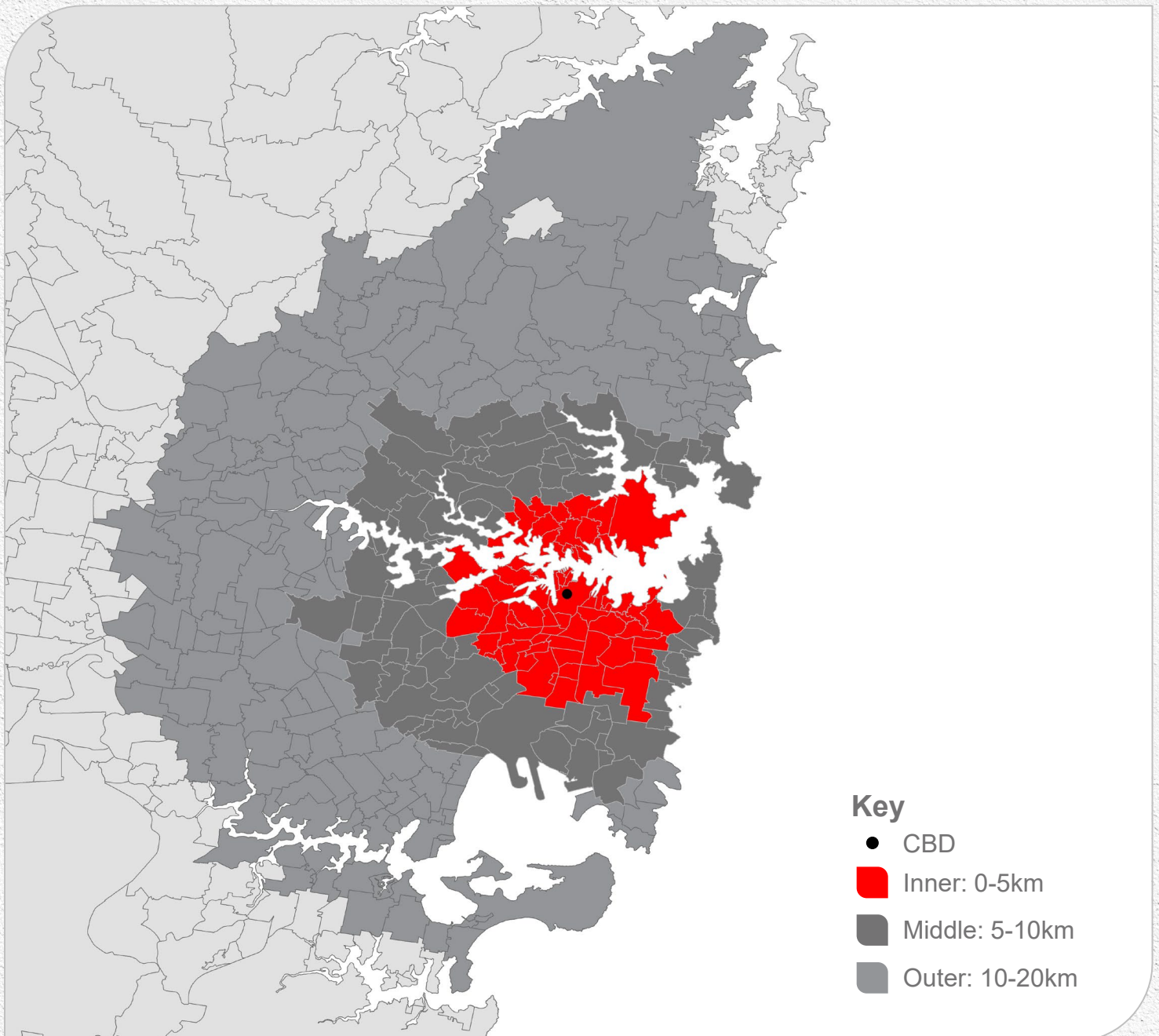
> Sydney | Major City Market Update

1st Half 2021

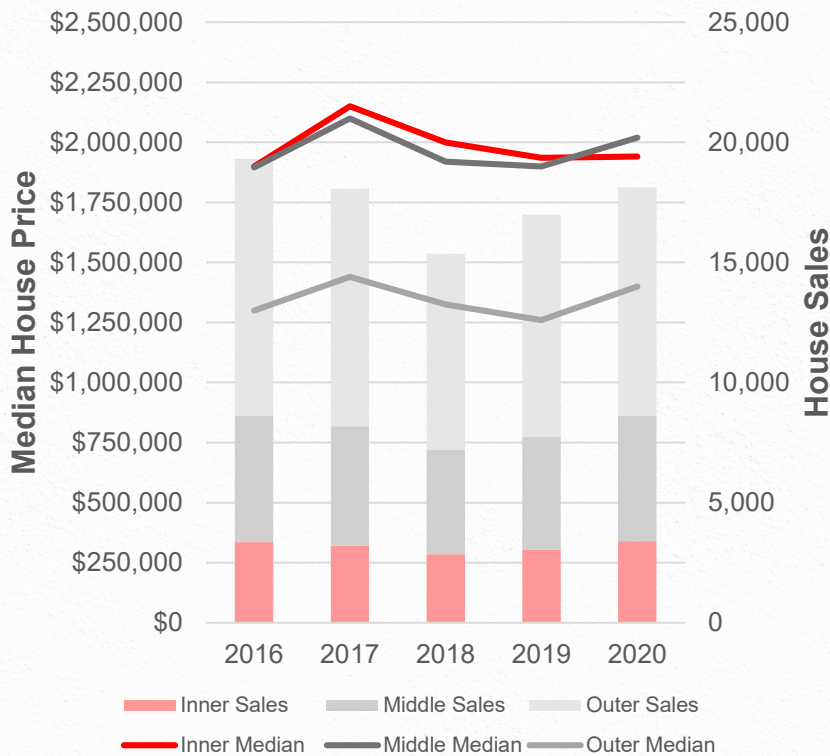
INTRODUCTION

A first of its kind, the *PRD Sydney Major City Market Update 1st Half 2021* is part of a series of reports which divides major cities into inner, middle, and outer-rings, allowing for an in-depth analysis of each specified market, whilst painting a holistic picture of property conditions in each area.

The Sydney market has seen immense growth in its middle-ring, with its median house price sitting above the inner-ring for the first time. Median house 5-year price growth was strongest in the outer-ring, which was also the most affordable area to buy a house. COVID-19 has seen a tightening in median house rental prices between Sydney's inner and middle-rings, and only Sydney's outer ring recorded positive median rental price growth.



SYDNEY HOUSE SALES 2016-20



2020 Median Sale Price

- Inner: \$1,940,000
- Middle: \$2,020,000
- Outer: \$1,400,000

2016-20 Price Growth

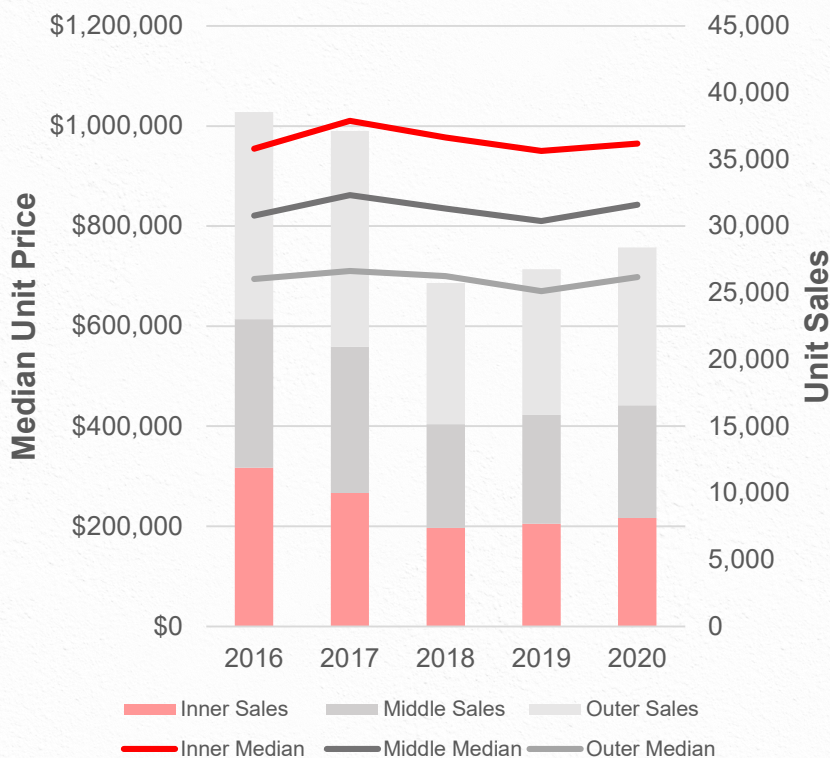
- Inner: +2.1% (+\$40,500)
- Middle: +6.6% (+\$125,000)
- Outer: +7.7% (+\$100,000)

Key Comments

- Sydney's middle ring median house price sat above the inner ring for the first time.
- 5-year price growth was strongest in the outer ring, which was also the most affordable area to buy a house.

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SYDNEY UNIT SALES 2016-20



2020 Median Sale Price

- Inner: \$965,000
- Middle: \$842,750
- Outer: \$698,000

2016-20 Price Growth

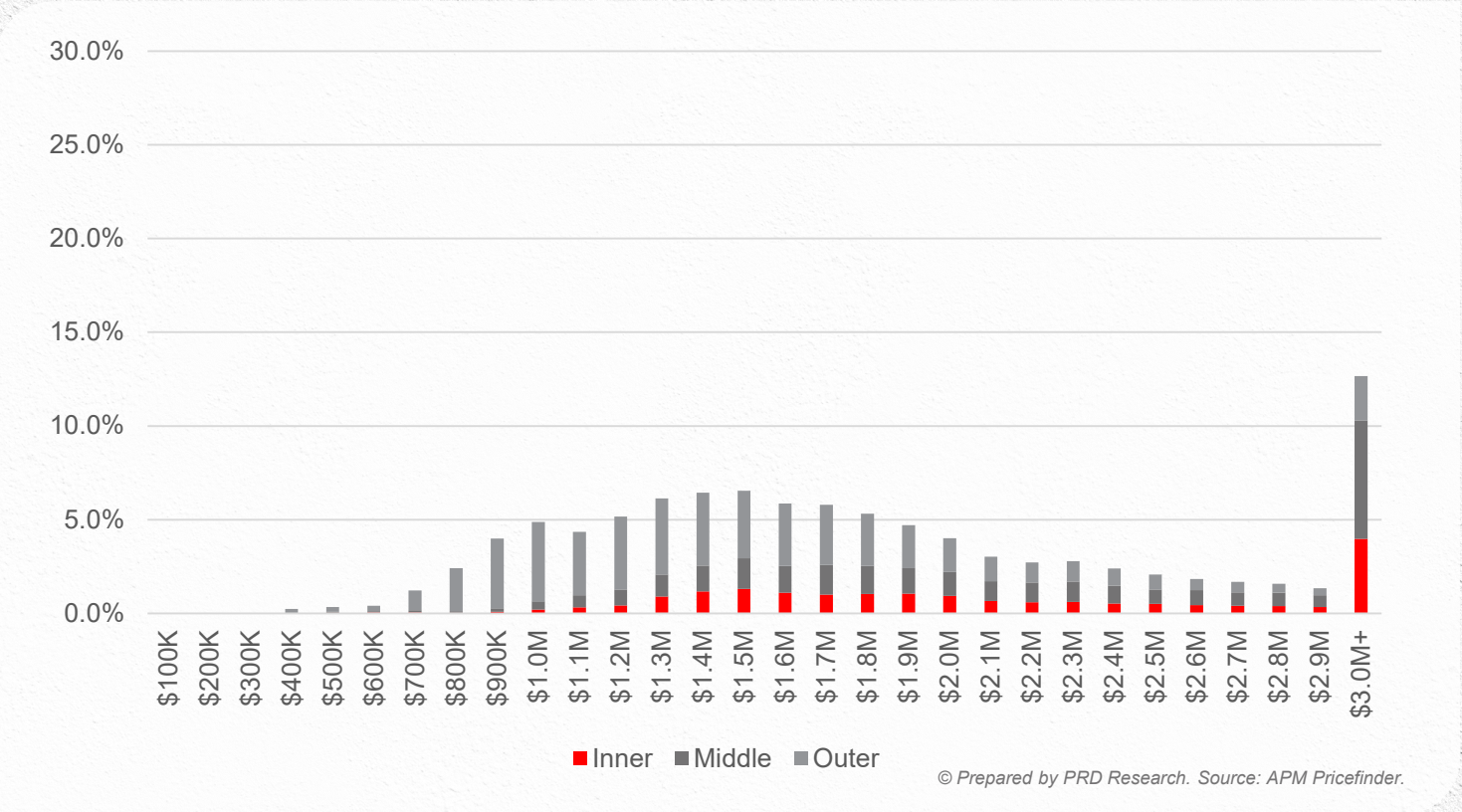
- Inner: +1.1% (+\$10,000)
- Middle: +2.6% (+\$21,750)
- Outer: +0.6% (+\$4,000)

Key Comments

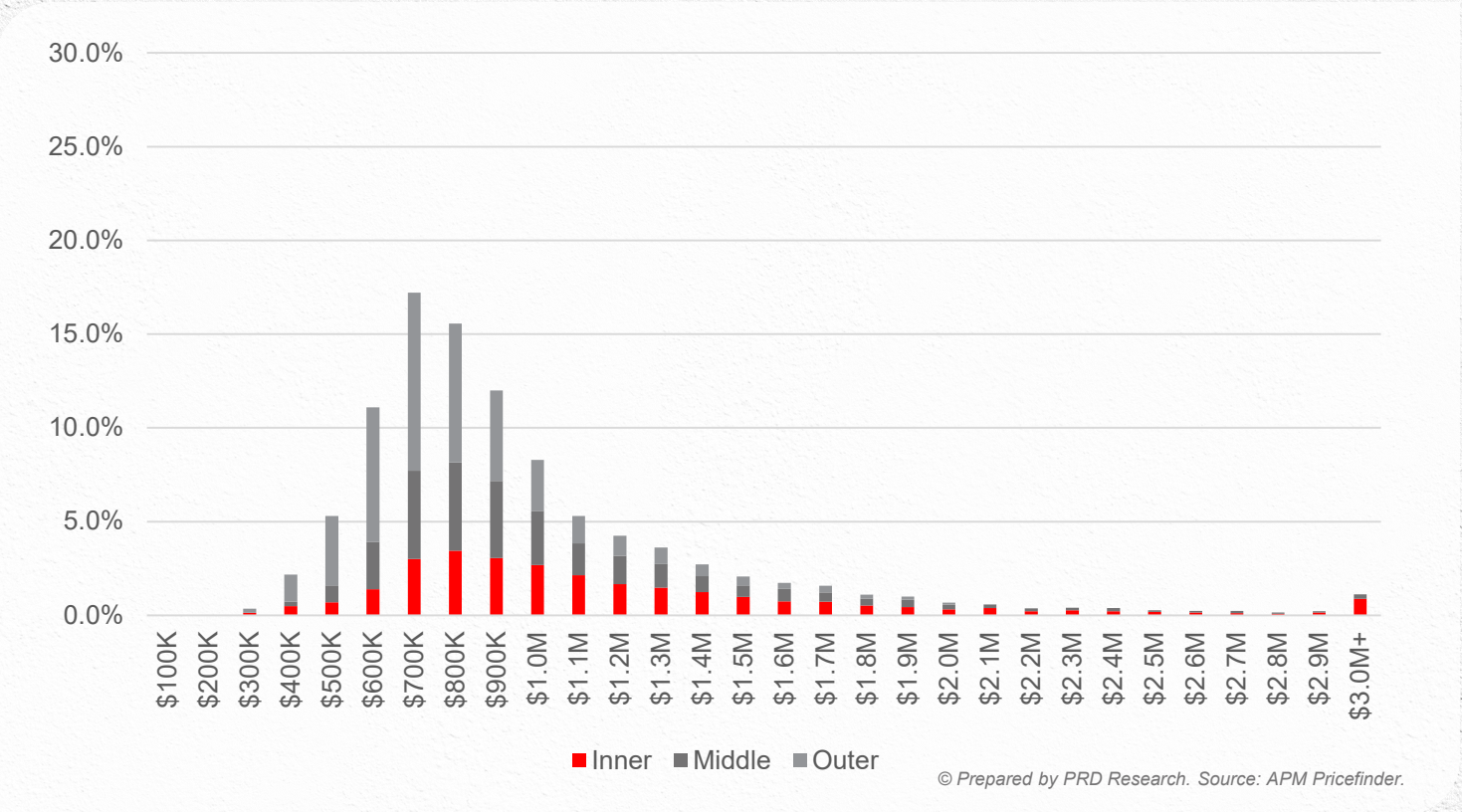
- Sydney's middle ring recorded the strongest five-year median price growth rate.
- Sale volumes have continued to steadily increase year-on-year since 2018.

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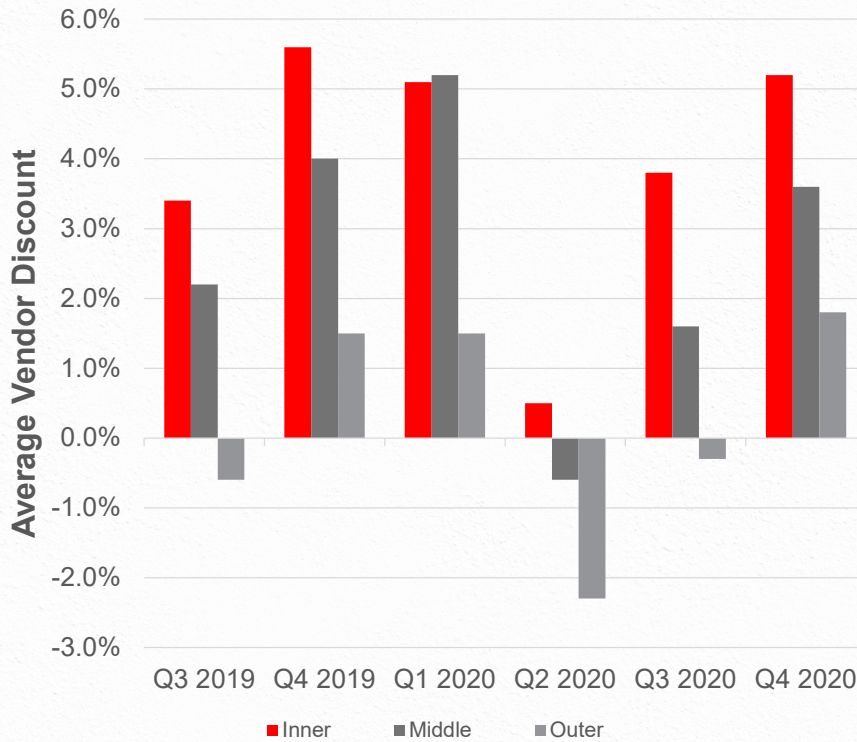
SYDNEY HOUSE SALES PRICE DISTRIBUTION 2020



SYDNEY UNIT SALES PRICE DISTRIBUTION 2020



SYDNEY HOUSE AVERAGE VENDOR DISCOUNT



Q4 2020 Overview

- Inner: +5.2%
- Middle: +3.6%
- Outer: +1.8%

What is Average Vendor Discount?

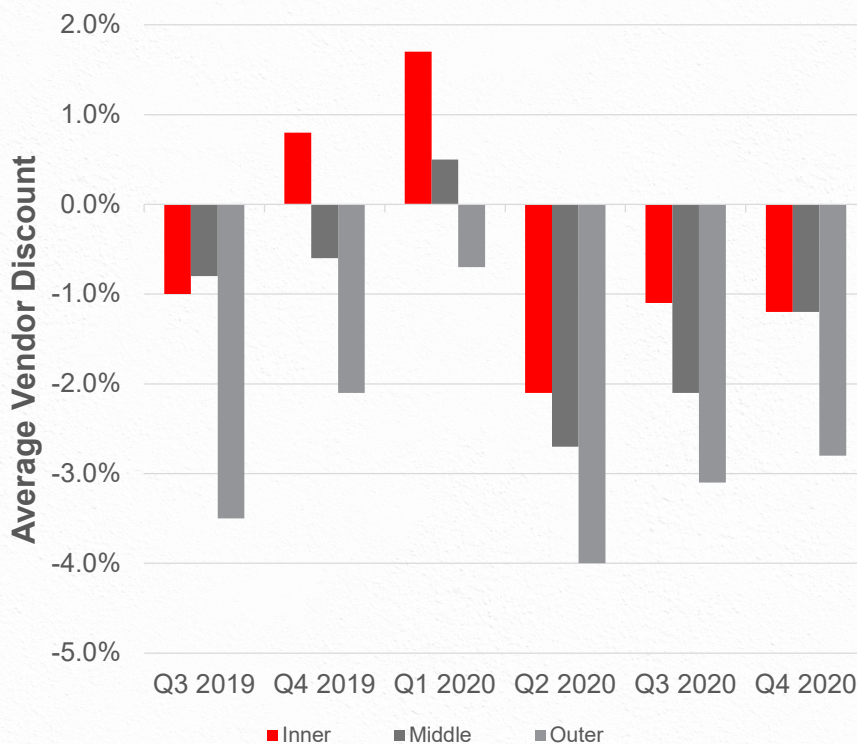
- The average percentage difference between the first list price and final sold price.

Key Comments

- All of Sydney's rings recorded average vendor premiums, showing sales occur above initial list prices.
- All three rings have recovered strongly since the start of COVID-19 in Q2 2020.

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SYDNEY UNIT AVERAGE VENDOR DISCOUNT



Q4 2020 Overview

- Inner: -1.2%
- Middle: -1.2%
- Outer: -2.8%

What is Average Vendor Discount?

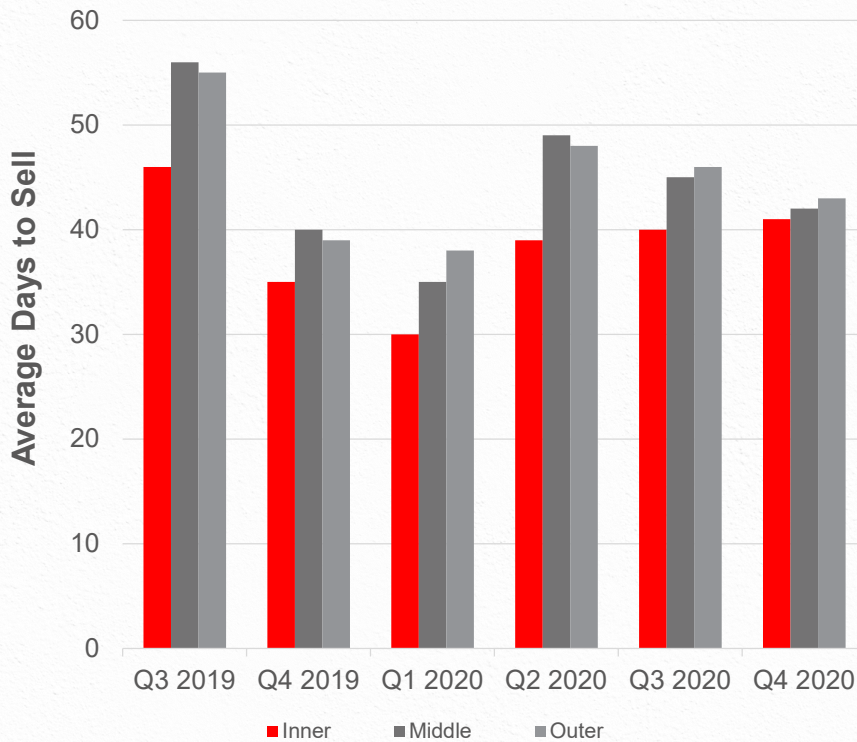
- A lower percentage difference (closer to 0.0%) suggests that buyers are willing to purchase closer to a property's initial asking price.

Key Comments

- All of Sydney's rings recorded average vendor discounts, showing sales occur below initial list prices.
- All of Sydney's unit discounting is moving closer to 0.0% but has not reached pre-COVID-19 levels.

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SYDNEY HOUSE AVERAGE DAYS TO SELL



Q4 2020 Overview

- Inner: 41 days
- Middle: 42 days
- Outer: 43 days

Why Average Days to Sell?

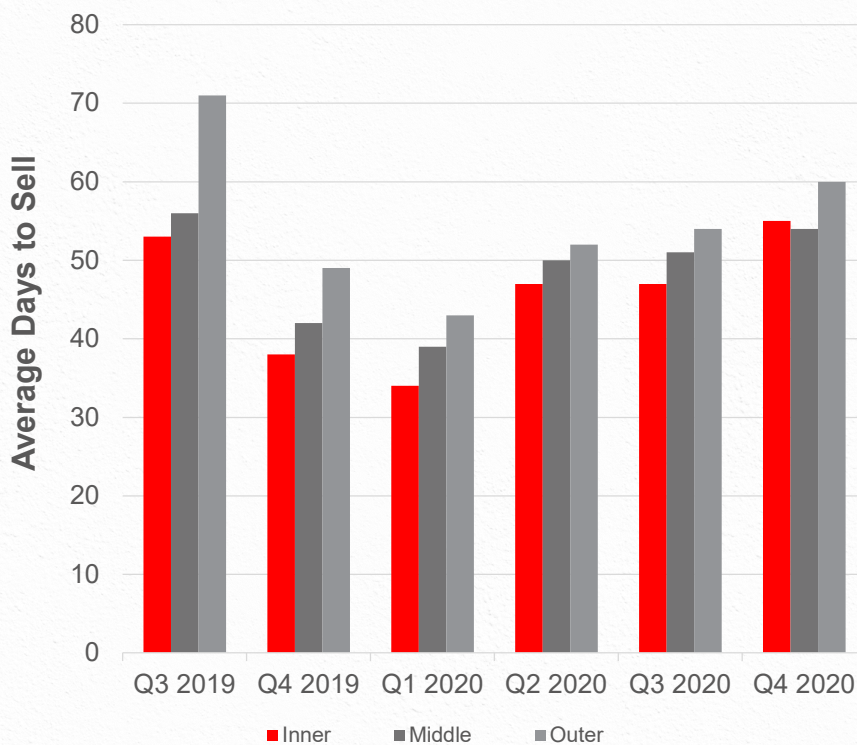
- The change in average days to sell a property is indicative of buyer demand.

Key Comments

- There was a very small spread of just 2 days in Sydney rings' average days to sell in Q4 2020.
- Since COVID-19, Sydney's middle and outer ring average days are lower, but inner ring days have risen.

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SYDNEY UNIT AVERAGE DAYS TO SELL



Q4 2020 Overview

- Inner: 55 days
- Middle: 54 days
- Outer: 60 days

Why Average Days to Sell?

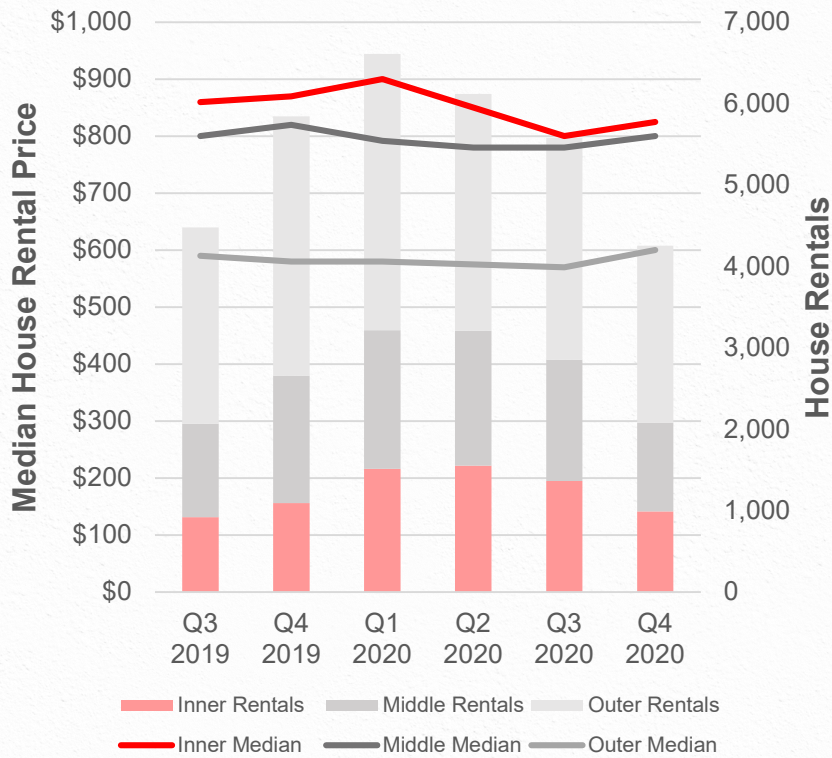
- A lower average number of days to sell a property reveals an increase in the willingness of buyers to purchase property more quickly.

Key Comments

- Inner Sydney units are taking longer to sell since COVID-19's effect in Q2 2020.
- Sydney's middle ring units are now selling more quickly on average than inner ring units.

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SYDNEY HOUSE RENTALS



Q4 2020 Median Rental Price

- Inner: \$825 per week
- Middle: \$800 per week
- Outer: \$600 per week

Annual Price Growth*

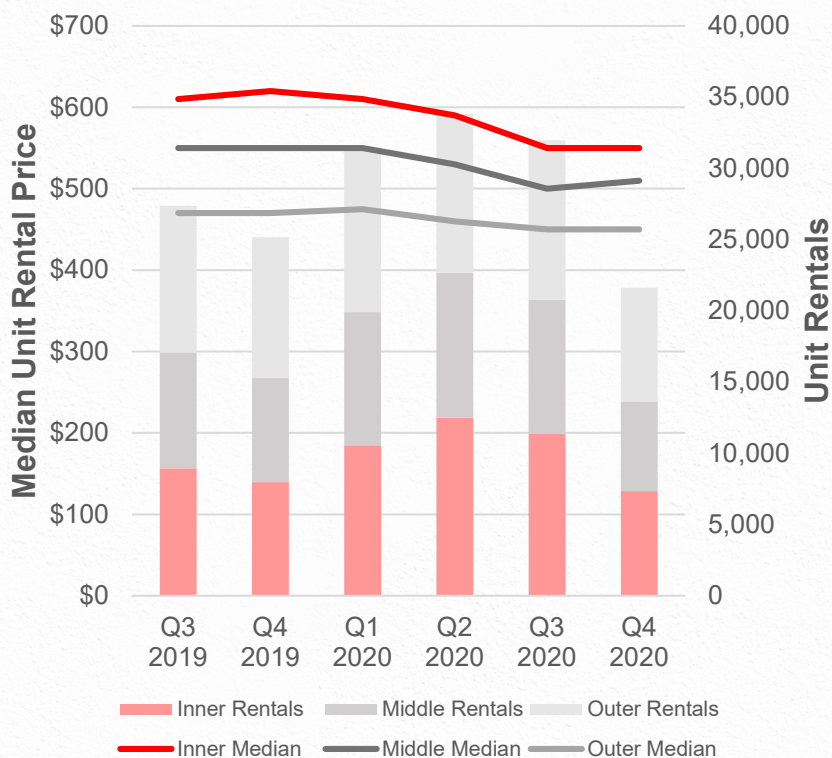
- Inner: -5.2% (-\$45 per week)
- Middle: -2.4% (-\$20 per week)
- Outer: +3.4% (+\$20 per week)

Key Comments

- COVID-19 has seen a tightening in median house rental prices between Sydney's inner and middle rings.
- Only Sydney's outer ring recorded positive median rental price growth.

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SYDNEY UNIT RENTALS



Q4 2020 Median Rental Price

- Inner: \$550 per week
- Middle: \$510 per week
- Outer: \$450 per week

Annual Price Growth*

- Inner: -11.3% (-\$70 per week)
- Middle: -7.3% (-\$40 per week)
- Outer: -4.3% (-\$20 per week)

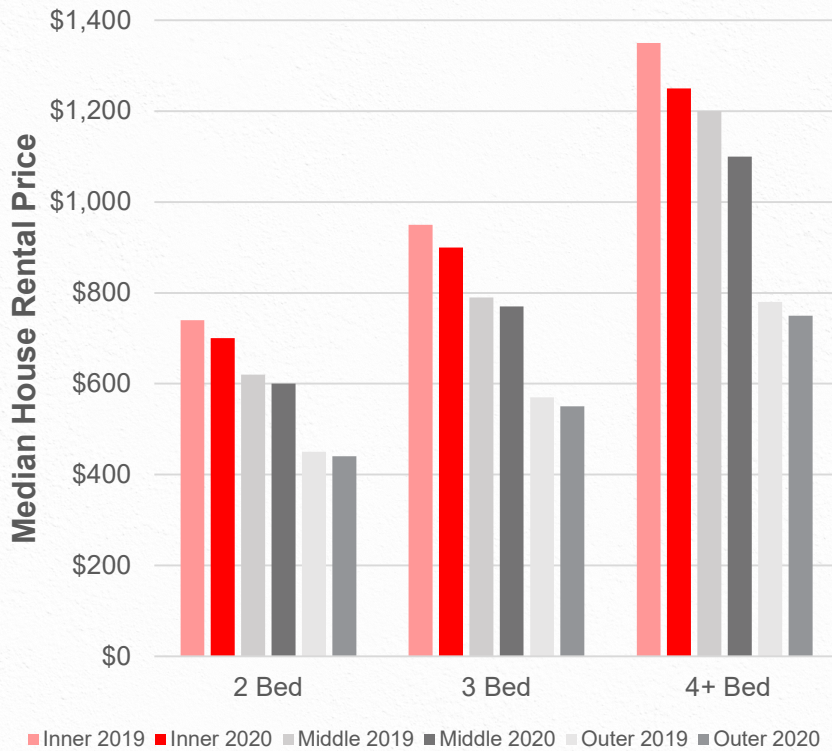
Key Comments

- Median unit rental pricing remains more evenly distributed between Sydney's rings, as pre-COVID-19.
- Sydney's outer ring recorded the most modest price softening.

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* Annual price growth is based on comparison between Q4 2019 and Q4 2020 figures.

SYDNEY HOUSE RENTAL PERFORMANCE 2019-20



2020 Median Rental Prices

2 Bedroom

- Inner: \$700 per week
- Middle: \$600 per week
- Outer: \$440 per week

3 Bedroom

- Inner: \$900 per week
- Middle: \$770 per week
- Outer: \$550 per week

4+ Bedroom

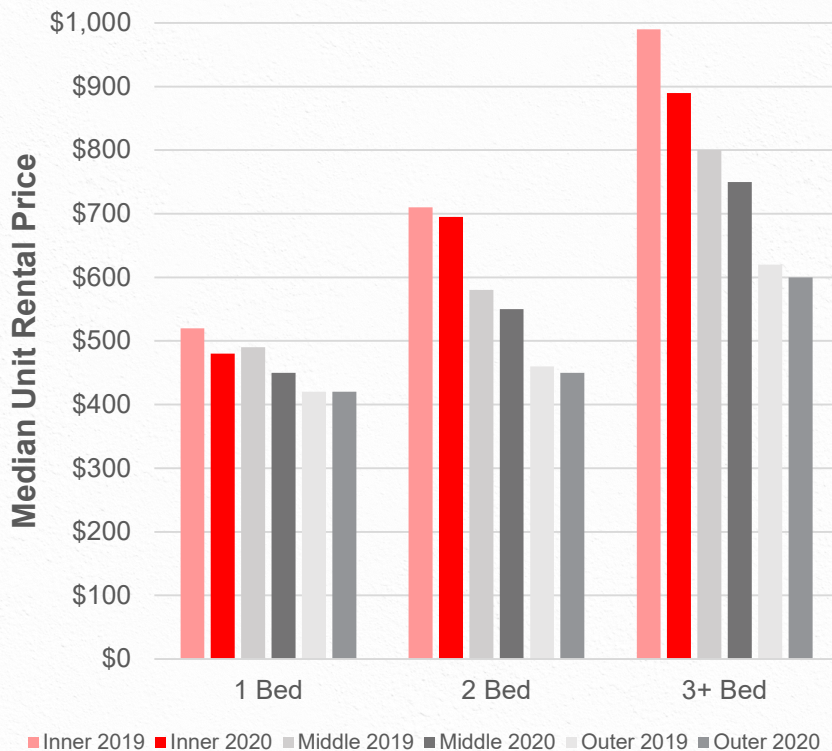
- Inner: \$1,250 per week
- Middle: \$1,100 per week
- Outer: \$750 per week

Key Comments

- Inner ring 4+ bedroom houses saw the largest decline annually, yet still maintained the highest rental price.

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SYDNEY UNIT RENTAL PERFORMANCE 2019-20



2020 Median Rental Prices

1 Bedroom

- Inner: \$480 per week
- Middle: \$450 per week
- Outer: \$420 per week

2 Bedroom

- Inner: \$695 per week
- Middle: \$550 per week
- Outer: \$450 per week

3+ Bedroom

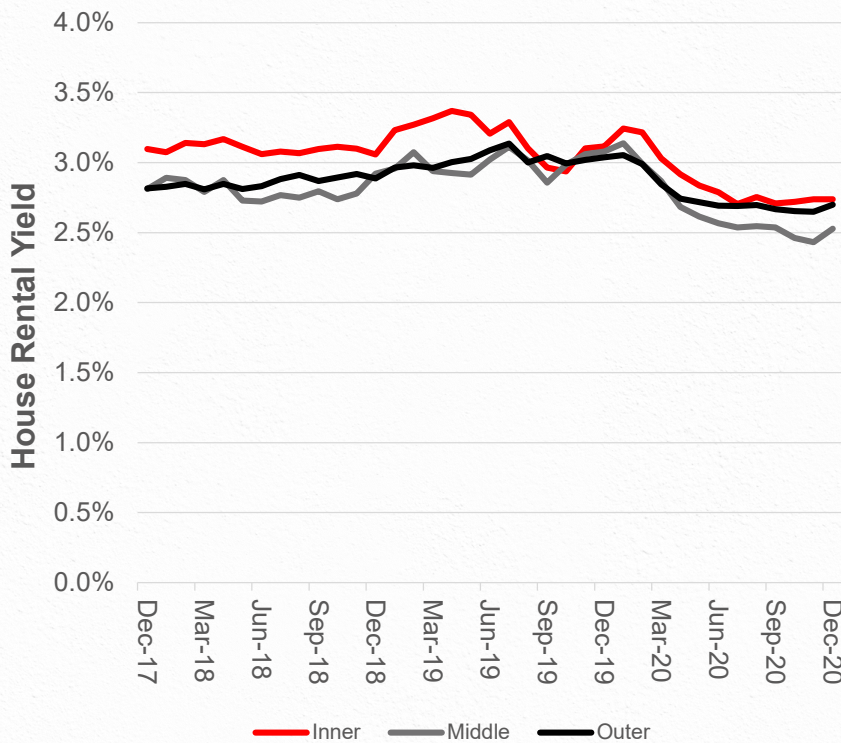
- Inner: \$890 per week
- Middle: \$750 per week
- Outer: \$600 per week

Key Comments

- Inner ring 3+ bedroom units saw the largest decline annually, yet still maintained the highest rental price.

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SYDNEY HOUSE AVERAGE RENTAL YIELD



Dec-20 Overview

- Inner: 2.7%
- Middle: 2.5%
- Outer: 2.7%

Annual Change

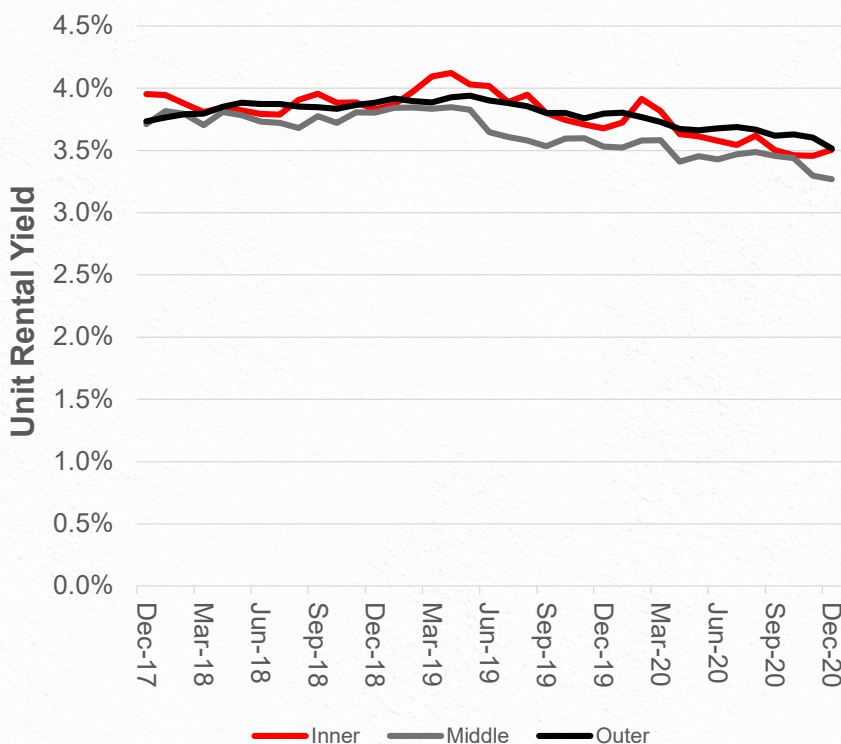
- Inner: -0.4%
- Middle: -0.6%
- Outer: -0.3%

Key Comments

- Sydney's middle ring recorded a slightly lower average rental yield for houses than the inner and outer rings.
- House yields have softened since COVID-19's effect due to lower median rental prices.

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SYDNEY UNIT AVERAGE RENTAL YIELD



Dec-20 Overview

- Inner: 3.5%
- Middle: 3.3%
- Outer: 3.5%

Annual Change

- Inner: -0.2%
- Middle: -0.3%
- Outer: -0.3%

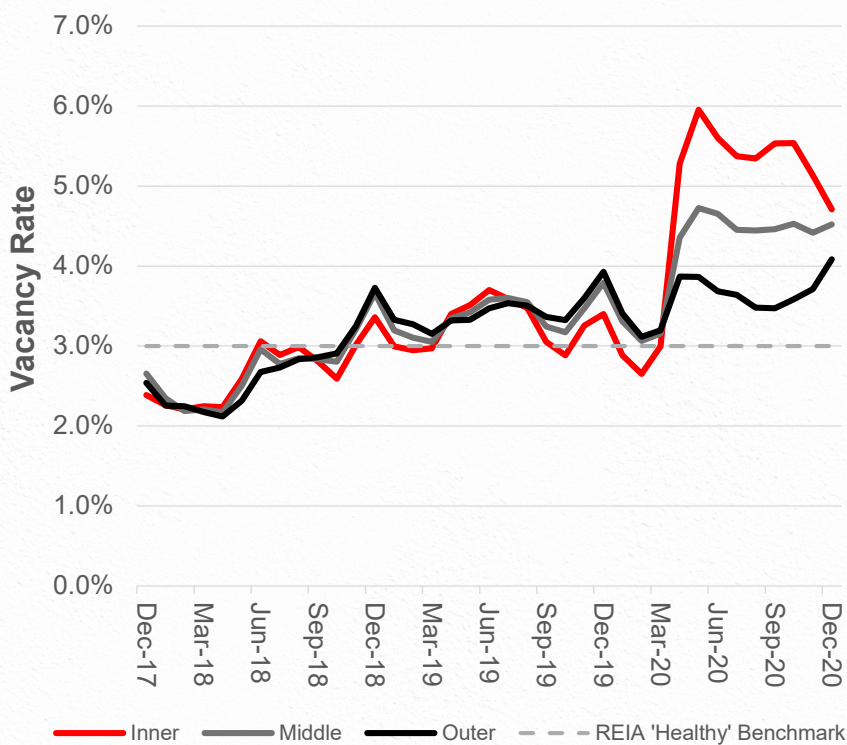
Key Comments

- Sydney's middle ring recorded a slightly lower average rental yield for units than the inner and outer rings.
- Unit yields have softened more steadily than houses since the impact of COVID-19 on the rental market.

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SYDNEY VACANCY RATES



Dec-20 Overview

- Inner: 4.7%
- Middle: 4.5%
- Outer: 4.1%

Annual Change

- Inner: +1.3%
- Middle: +0.7%
- Outer: +0.2%

Key Comments

- Sydney ring vacancy rates peaked in May 2020, with large differences between rings slowly reducing since.
- Outer ring vacancy rates continue to climb however, indicating mobility back towards inner ring locations.

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REFERENCES

Inner ring market data encapsulates aggregate property conditions within following suburbs:

Alexandria, Annandale, Balmain, Balmain East, Barangaroo, Beaconsfield, Bellevue Hill, Birchgrove, Bondi Junction, Cammeray, Camperdown, Centennial Park, Chippendale, Cremorne, Cremorne Point, Crows Nest, Darling Point, Darlinghurst, Darlington, Dawes Point, Double Bay, Drummoyne, Edgecliff, Elizabeth Bay, Enmore, Erskineville, Eveleigh, Forest Lodge, Glebe, Greenwich, Haymarket, Kensington, Kirribilli, Kurraba Point, Lavender Bay, Leichhardt, Lilyfield, McMahon's Point, Millers Point, Milsons Point, Moore Park, Mosman, Neutral Bay, Newtown, North Sydney, Northwood, Paddington, Point Piper, Potts Point, Pyrmont, Queens Park, Randwick, Redfern, Rosebery, Rozelle, Rushcutters Bay, St Leonards, Stanmore, Surry Hills, Sydney, The Rocks, Ultimo, Waterloo, Waverton, Wollstonecraft, Woollahra, Woolloomooloo, Woolwich, Zetland.

Middle ring market data encapsulates aggregate property conditions within following suburbs:

Abbotsford, Arncliffe, Artarmon, Ashbury, Ashfield, Balgowlah, Balgowlah Heights, Banksia, Banksmeadow, Bardwell Park, Bardwell Valley, Bondi, Bondi Beach, Botany, Breakfast Point, Bronte, Burwood, Burwood Heights, Cabarita, Campsie, Canada Bay, Canterbury, Castle Cove, Castlecrag, Chatswood, Chatswood West, Chiswick, Clontarf, Clovelly, Concord, Coogee, Croydon, Croydon Park, Daceyville, Dover Heights, Dulwich Hill, Earlwood, East Ryde, Eastgardens, Eastlakes, Fairlight, Five Dock, Gladesville, Haberfield, Henley, Hillsdale, Hunters Hill, Huntleys Cove, Huntleys Point, Hurlstone Park, Killarney Heights, Kingsford, Kyeemagh, Lane Cove, Lane Cove North, Lane Cove West, Lewisham, Lindfield, Linley Point, Longueville, Macquarie Park, Manly, Maroubra, Marrickville, Mascot, Matraville, Middle Cove, Mortlake, Naremburn, North Balgowlah, North Bondi, North Ryde, North Willoughby, Northbridge, Pagewood, Petersham, Putney, Riverview, Rodd Point, Rose Bay, Roseville, Roseville Chase, Russell Lea, Ryde, Seaforth, South Coogee, St Peters, Strathfield, Summer Hill, Sydenham, Tamarama, Tempe, Tennyson Point, Turrella, Vaucluse, Wareemba, Watsons Bay, Waverley, Willoughby, Willoughby East, Wolli Creek.

Outer ring market data encapsulates aggregate property conditions within following suburbs:

Allambie Heights, Allawah, Auburn, Bankstown, Bankstown Aerodrome, Bass Hill, Beacon Hill, Beecroft, Belfield, Belmore, Belrose, Berala, Beverley Park, Beverly Hills, Bexley, Bexley North, Birrong, Blakehurst, Brighton-le-Sands, Brookvale, Camellia, Caringbah, Carlingford, Carlton, Carss Park, Cheltenham, Chester Hill, Chifley, Chullora, Clemton Park, Clyde, Collaroy, Collaroy Plateau, Como, Concord West, Condell Park, Connells Point, Cromer, Cronulla, Curl Curl, Davidson, Dee Why, Denistone, Denistone East, Denistone West, Dolls Point, Dundas, Dundas Valley, East Killara, East Lindfield, Eastwood, Elanora Heights, Enfield, Epping, Ermington, Forestville, Frenchs Forest, Freshwater, Georges Hall, Gordon, Granville, Greenacre, Greenhills Beach, Guildford, Harris Park, Holroyd, Homebush, Homebush West, Hornsby, Hurstville, Hurstville Grove, Illawong, Ingleside, Jannali, Kangaroo Point, Kareela, Killara, Kingsgrove, Kogarah, Kogarah Bay, Ku-Ring-Gai Chase, Kurnell, Kyle Bay, La Perouse, Lakemba, Liberty Grove, Lidcombe, Little Bay, Lugarno, Malabar, Manly Vale, Marsfield, Meadowbank, Melrose Park, Merrylands, Miranda, Monterey, Mortdale, Mount Lewis, Mullion, Narrabeen, Narrabeena, Narwee, Newington, Normanhurst, North Curl Curl, North Epping, North Manly, North Narrabeen, North Parramatta, North Rocks, North Strathfield, North Turramurra, North Wahroonga, Oatlands, Oatley, Oxford Falls, Oyster Bay, Padstow, Padstow Heights, Parramatta, Peakhurst, Peakhurst Heights, Pennant Hills, Penshurst, Phillip Bay, Port Botany, Potts Hill, Punchbowl, Pymble, Queenscliff, Ramsgate, Ramsgate Beach, Regents Park, Revesby, Rhodes, Riverwood, Rockdale, Rookwood, Rosehill, Roselands, Rydalmere, Sandringham, Sans Souci, Sefton, Silverwater, South Granville, South Hurstville, South Turramurra, St Ives, St Ives Chase, Strathfield South, Sydney Olympic Park, Sylvania, Sylvania Waters, Taren Point, Telopea, Terrey Hills, Thornleigh, Turramurra, Villawood, Wahroonga, Waitara, Warrawee, Wentworth Point, West Pennant Hills, West Pymble, West Ryde, Wheeler Heights, Wiley Park, Woolooware, Yagoona.

Source: APM Pricer, SQM Research, ESRI ArcGIS.

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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.



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

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