

> **Norwest Market Update**

1st Half 2021

SALES

Commercial

The median commercial sale price in Norwest* was \$9,719 per sqm for Q4 2020. This represents half-yearly (Q2 2020 – Q4 2020) price growth of 16.0% and annual (Q4 2019 – Q4 2020) price growth of 18.5%, showing an overall positive trend. COVID-19 seems to have had an impact on seller activity, however this has been counterbalanced by steady buyer demand which has resulted in an upswing in the median sale price per sqm.



\$9,719

Median commercial sale price per sqm in Norwest (Q4 2020)

6

Total commercial property sales in Norwest (Q4 2020)

\$3,937

Median industrial sale price per sqm in Norwest (Q4 2020)

10

Total industrial property sales in Norwest (Q4 2020)

INTRODUCTION

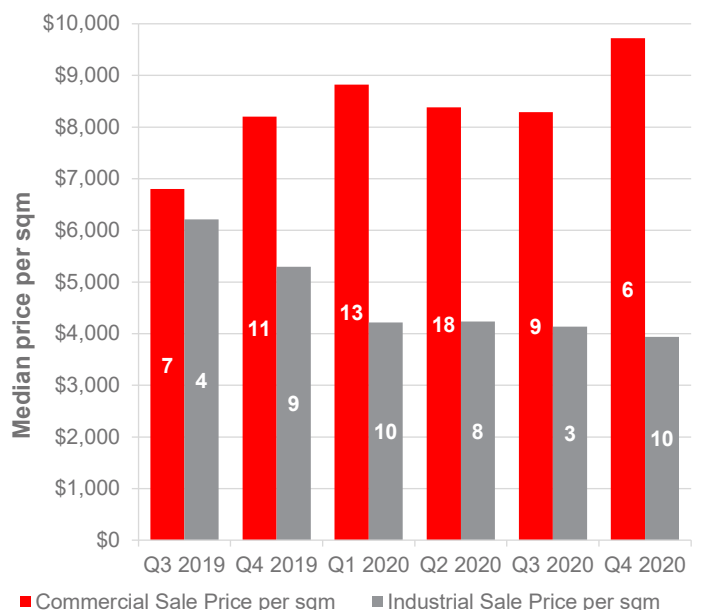
Positioned approximately 30km north-west of Sydney, Norwest is an area which encapsulates the suburbs of Baulkham Hills, Rouse Hill, Castle Hill, and Bella Vista. These suburbs are noted particularly for their commercial precincts, which include office and retail uses, as well as strata industrial properties.

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 2020, 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 to the commercial market, the median price per sqm for industrial properties in Norwest* reflected a lower price point of \$3,937 per sqm for Q4 2020. This represents half-yearly (Q2 2020 – Q4 2020) price softening of -7.0%. Furthermore, annual (Q4 2019 – Q4 2020) median price trends saw a -25.6% change, thus suggesting overall the market has seen a softening in median price. Industrial property sales in Norwest* remain limited overall, with just 10 sales in Q4 2020. This said, 10 sales is a much stronger result than that of Q3 2020 (with just 3 sales).



LEASING

Commercial

The median commercial net lease rate for Norwest* in Q4 2020 was at \$398 per sqm. This represented a healthy growth of 4.7% in the six months since Q2 2020 and larger growth of 14.4% in the 12 months since Q4 2019. Leasing activity also increased over the previous 12 months, with 18 leases recorded in Q4 2020 (compared to 14 in Q4 2019). Given the limited market size, leases will fluctuate. However the overall trend continues to steadily increase.



\$398

Median commercial net lease rate per sqm in Norwest (Q4 2020)

18

Number of quarterly commercial leases in Norwest (Q4 2020)

\$180

Median industrial net lease rate per sqm in Norwest (Q4 2020)

10

Number of quarterly industrial leases in Norwest (Q4 2020)

LEASE BREAKDOWN

Leases commencing across Q4 2020 in Norwest* showed significant variation by type and sector.

A majority of 78% commercial leases were taken on a Net basis (based on 23 known leases). This is a continuing trend seen in the 2nd Half 2020 report.

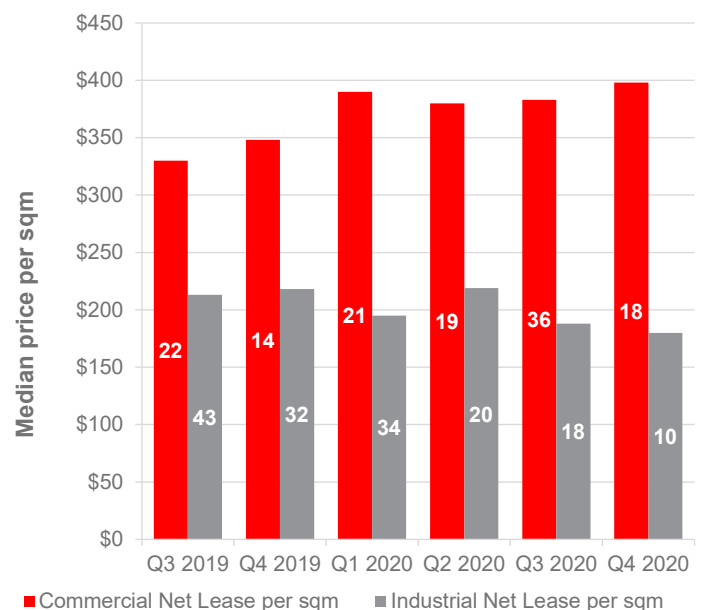
The dominant lease type in Norwest's* industrial market proved similar to the commercial market, with 86% of leases being adhered to on a Net basis (based on 21 known leases).

Commercial leasing activities in particular show resilience amidst COVID-19, in terms of number of leases and net lease rate per sqm.

LEASING

Industrial

Norwest's* median industrial net lease rate was at \$180 per sqm as of Q4 2020. This rate signified a price softening of -17.8% in the six months since Q2 2020 and a softening of -17.4% in the 12 months since Q4 2019. Leasing activity continues to trend downward, with 10 leases recorded in Q4 2020. This is a slowdown on the last six months and 12 months, highlighting a slowing trend in industrial leasing activity. Despite limited data, an overall a trend of reduced demand is evident, which has translated into moderating median rental prices per sqm in the area.



*Norwest market data and key indicators encapsulates aggregate property market conditions in the suburbs Norwest, Baulkham Hills, Rouse Hill, Castle Hill and Bella Vista. **Lease data only encapsulates transactions with sufficient data available to be fully utilised for the purpose of inclusion in the report. Lease data is representative of a limited number of overall transactions within a period and is not exhaustive. Leases have been selected based on comparability in terms of size, age, and location within Norwest. *Median Net per sqm is calculated only on leases where this information was clearly disclosed or determinable from an advertised floor area and net rental amount for the lease. Source: APM Pricerfinder, commercialrealestate.com.au. © Copyright PRD 2021.

RECENT SALES

COMMERCIAL

Property Address	Sale Price	Area (sqm)	Price per sqm	Sale Date
7/3 Burbank Pl, Norwest	\$1,127,500	196	\$5,753	Jul-20
25/24-32 Lexington Dr, Bella Vista	\$572,000	69	\$8,290	Jul-20
45/11-13 Brookhollow Ave, Norwest	\$775,000	97	\$7,990	Sep-20
36/10 Gladstone Rd, Castle Hill	\$935,000	176	\$5,313	Sep-20
406/2-8 Brookhollow Ave, Norwest	\$946,000	101	\$9,366	Sep-20
101/20B Lexington Dr, Bella Vista	\$789,800	88	\$8,975	Sep-20
441/14 Lexington Dr, Bella Vista	\$435,000	51	\$8,529	Sep-20
212/11 Solent Cct, Norwest	\$785,000	80	\$9,813	Oct-20
410/2-8 Brookhollow, Norwest	\$1,001,000	104	\$9,625	Nov-20
215/10 Century Cct, Norwest	\$660,000	63	\$10,476	Nov-20

INDUSTRIAL

Property Address	Sale Price	Area (sqm)	Price per sqm	Sale Date
10/593 Withers Rd, Rouse Hill	\$812,900	182	\$4,466	Aug-20
7/10 Gladstone Rd, Castle Hill	\$1,375,000	361	\$3,809	Aug-20
19/6 Gladstone Rd, Castle Hill	\$1,540,000	489	\$3,149	Nov-20
5/6 Anella Ave, Castle Hill	\$1,000,000	289	\$3,460	Nov-20
3/593 Withers Rd, Rouse Hill	\$1,180,000	221	\$5,339	Nov-20
16/8 Victoria Ave, Castle Hill	\$820,000	231	\$3,550	Nov-20
6/591 Withers Rd, Rouse Hill	\$705,000	163	\$4,325	Nov-20
4/591 Withers Rd, Castle Hill	\$922,900	164	\$5,627	Dec-20
3/2 Hudson Ave, Castle Hill	\$3,383,000	1,209	\$2,798	Dec-20
13/10 Gladstone Rd, Castle Hill	\$935,000	213	\$4,390	Dec-20

RECENT LEASES

COMMERCIAL

Property Address	Lease Value	Lease Type	Area (sqm)	Price per sqm	Lease Date
2.28/2-8 Brookhollow Ave, Norwest	\$16,500	Net	33	\$500	Dec-20
45/11-13 Brookhollow Ave, Norwest	\$33,950	Net	97	\$350	Dec-20
1/38 Brookhollow Ave, Norwest	\$119,700	Net	399	\$300	Dec-20
08/320 Annangrove Rd, Rouse Hill	\$28,000	Net	48	\$583	Dec-20
Part B.2.03/20 Lexington Dr, Bella Vista	\$13,000	Gross	17	\$765	Nov-20
16 Arthur St, Baulkham Hills	\$40,000	Gross	85	\$471	Nov-20
35b/1 Maitland Pl, Norwest	\$14,000	Gross	30	\$467	Nov-20
55/15-17 Terminus St, Castle Hill	\$12,000	Net	24	\$500	Nov-20
7.02/12 Century Cct, Norwest	\$32,500	Net	80	\$406	Nov-20
Suite 1, 405/29-31 Solent Cct, Norwest	\$15,000	Net	34	\$441	Nov-20

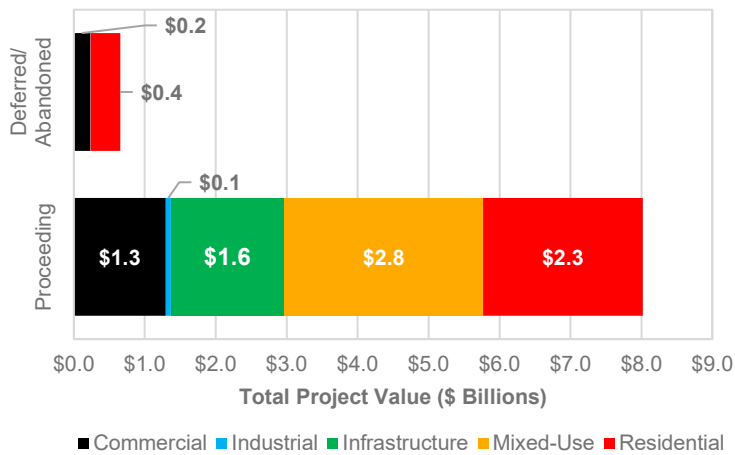
INDUSTRIAL

Property Address	Lease Value	Lease Type	Area (sqm)	Price per sqm	Lease Date
43/7 Hoyle Ave, Castle Hill	\$34,000	Net	185	\$184	Dec-20
9/10 Victoria Av, Castle Hill	\$42,000	Gross	181	\$232	Nov-20
6/4 Gladstone Rd, Castle Hill	\$144,375	Net	825	\$175	Nov-20
50/2 Hoyle Ave, Castle Hill	\$40,000	Net	195	\$205	Nov-20
5/10 Anella Ave, Castle Hill	\$56,000	Net	323	\$173	Nov-20
21/7 Hoyle Ave, Castle Hill	\$40,000	Net	200	\$200	Nov-20
20/6 Gladstone Rd, Castle Hill	\$56,550	Net	377	\$150	Nov-20
B/2 Hudson Ave, Castle Hill	\$176,030	Net	1214	\$145	Nov-20
15/5 Hudson Ave, Castle Hill	\$47,500	Gross	288	\$165	Oct-20
4/16 Lexington Dr, Bella Vista	\$74,900	Gross	428	\$175	Oct-20

PROJECT DEVELOPMENT

2020-2022 OVERVIEW

Norwest* is set to benefit from an estimated \$8.0B of development, scheduled to commence between 2020-2022. There are 152 major projects due to commence, which represents 92.4% of the original development pipeline, with approximately \$657.2M (or 7.6%) either deferred or abandoned by developers.



2021 represents a strong rebound off a relatively slow development year for 2020, likely due to returning confidence beyond the initial impacting uncertainties of COVID-19. Returning confidence is even more evident in total projects set to proceed in 2021, with more than double that of 2020 (72 projects in 2021 compared to 34 projects in 2020). Looking forward to 2022, there is further continuation of projects, of 46 projects thus far.

Proceeding Projects: Total Estimated Value

	2020	2021	2022
Commercial	\$70.2M	\$835.9M	\$390.2M
Industrial	\$7.5M	\$54.3M	\$8.5M
Infrastructure	\$11.7M	\$466.4M	\$1.1B
Mixed-Use	\$138.5M	\$510.1M	\$2.1B
Residential	\$335.6M	\$1.1B	\$838.4M
Total	\$563.6M	\$2.9B	\$4.5B

Proceeding Projects: Total Project Count

	2020	2021	2022
Commercial	8	25	14
Industrial	1	4	1
Infrastructure	4	4	3
Mixed-Use	2	6	10
Residential	19	33	18
Total	34	72	46

1ST HALF 2021 OVERVIEW

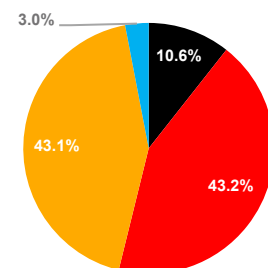
A key project for the 1st half of 2021 is the \$244.1M Tallawong Road Mixed Use Development. The project will see the design and construction of nine 5-storey buildings featuring 630 apartments and two local retail premises, along with communal space at ground level and on building rooftops and parking for 771 vehicles. Such a project will provide opportunity for new local employment creation in the long-term, while also offering jobs in the construction process. Projects such as this may also result in positive spill-over effects for Norwest's* property market, while also increasing the area's local economic output.

1st Half 2021 Proceeding Project Breakdown

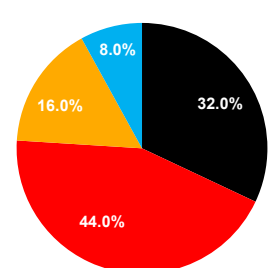
	Project Value	Total Projects
Commercial	\$114.3M	8
Industrial	\$32.5M	2
Infrastructure	-	0
Mixed-Use	\$464.0M	4
Residential	\$465.0M	11
Total	\$1.1B	25

The \$53.8M commercial project The Bond - Elizabeth Macarthur Drive Commercial Building is another key project for the 1st half of 2021. The project is set to see the design and construction of a 7-storey building, which will include food and drink premises and ancillary retail floor space at ground level, a 110 place child care facility on the first floor, and commercial offices on remaining levels, along with parking for 317 vehicles. Commercial projects play an important role within Norwest*, ensuring that new dwelling creations in residential and mixed-use projects are well balanced by appropriate spaces for employment opportunities.

Projects by Value



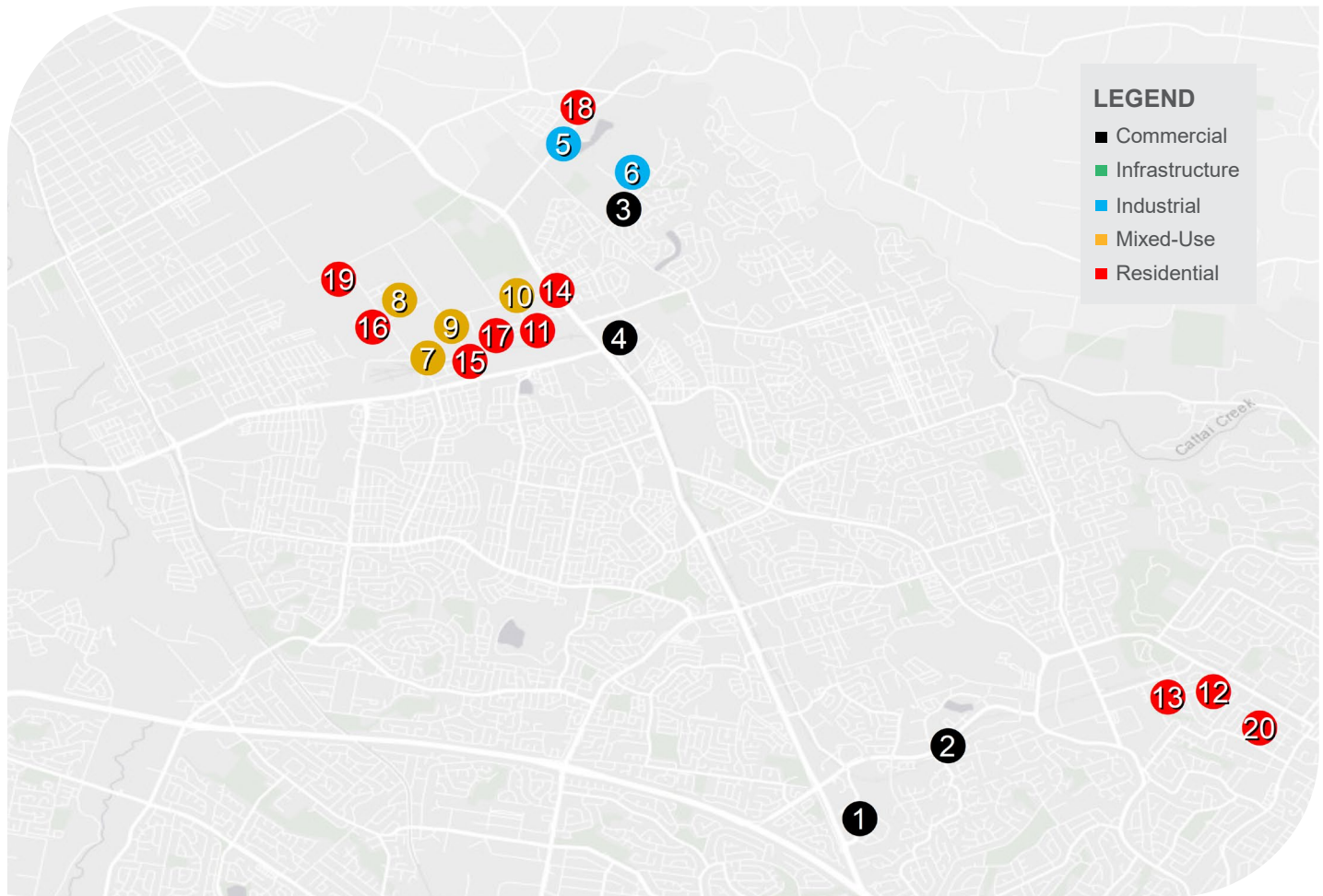
Projects by Count



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

*Norwest market data and key indicators encapsulates aggregate property market conditions in the suburbs Baulkham Hills, Rouse Hill, Castle Hill and Bella Vista. **2020-2022 dates are based on project commencement dates obtained for each project and are approximate only, as provided by the relevant data authority. PRD does not hold any liability to the exact date. #Estimated value is the value of construction costs provided by relevant data authority, and do not reflect the project's sale/commercial value. ^Annual breakdown of projects is presented for proceeding projects in Norwest* by development type and year of scheduled commencement. Source: Cordell Connect. © Copyright PRD 2021.

PROJECT DEVELOPMENT MAP 1ST HALF 2021*



Location	Project**	Type	Estimated Value***	Commence Date****
1	The Bond - Elizabeth Macarthur Drive Commercial Building	Commercial	\$53,786,000	15/01/2021
2	Catholic Healthcare Norwest	Commercial	\$30,775,000	29/03/2021
3	Mile End & Withers Roads Bus Depot	Commercial	\$17,604,000	17/01/2021
4	Rouse Hill Town Centre	Commercial	\$7,500,000	16/03/2021
5	Annangrove Road Industrial Development	Industrial	\$17,500,000	22/02/2021
6	Money Close Industrial Building	Industrial	\$15,000,000	06/01/2021
7	Tallowong Road Mixed Use Development (630 Apartments)	Mixed-use	\$244,078,000	10/04/2021
8	Macquarie Road Mixed Use Development (320 Units)	Mixed-use	\$83,169,000	23/05/2021
9	Cudgegong Town Centre - The Rouse (256 Apartments)	Mixed-use	\$83,132,000	12/06/2021
10	Terry Road Mixed Use Development (310 Units)	Mixed-use	\$53,607,000	23/05/2021
11	Terry Road Apartments Collection - Rouse Hill (311 Apartments)	Residential	\$99,575,000	13/06/2021
12	Chapman & Dawes Avenues Apartments (266 Apartments)	Residential	\$95,352,000	31/01/2021
13	Ashford & Partridge Avenues Apartments (272 Apartments)	Residential	\$86,331,000	15/02/2021
14	Salento Residential Development (48 Apartments, 87 Townhouses)	Residential	\$70,495,000	01/03/2021
15	Cudgegong Road Apartments (295 Apartments)	Residential	\$67,340,000	10/06/2021
16	Tallowong Road Dwellings & Subdivision (66 Dwellings, 61 Lots)	Residential	\$20,917,000	25/05/2021
17	Terry Road Units (43 Units)	Residential	\$16,559,000	16/06/2021
18	Annangrove Road Residential Subdivision Stage 2 - Mckenzie Park (49 Lots)	Residential	\$2,500,000	06/05/2021
19	Tallowong Road Residential Subdivision (36 Lots)	Residential	\$2,478,000	14/06/2021
20	Purser Avenue Townhouses (7 Townhouses)	Residential	\$2,100,000	29/06/2021

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

PRD Norwest

P +61 2 7728 8011

Suite 403, 10 Century Circuit
Baulkham Hills NSW 2153

PRD.com.au/norwest