



# Penrith Market Update

## 1st Half 2021



### OVERVIEW

In Q1 2021, Penrith\* recorded a median house price of \$770,000, and a median unit price of \$508,500. This represents annual (Q1 2020 – Q1 2021) median price growth of 9.2% for houses and 1.9% for units. Between Q1 2020 – Q1 2021 total house sales increased, by 4.2% (to 524 sales), while units slowed by -14.2% (to 259 sales). There are real returns in capital investment in the housing market, whilst the unit market shows a potential undersupply. Overall this creates an opportune time for owner-occupiers in Penrith\* wishing to benefit from a highly demanded market.

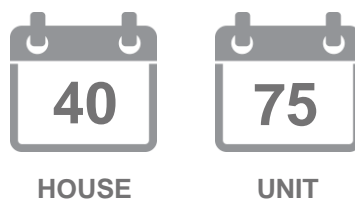
|  | CHANGE FROM LAST   | YEAR | HALF YEAR |
|--|--------------------|------|-----------|
|   | House Sales        | ↑    | ↓         |
|  | House Median Price | ↑    | ↑         |
|  | House Rental Price | ↑    | ↑         |
|  | Unit Sales         | ↓    | ↓         |
|  | Unit Median Price  | ↑  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

### MARKET CONDITIONS

#### SALES MEDIAN PRICE Q1 2021



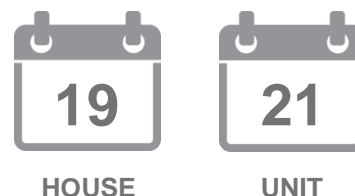
#### SALES AVERAGE DAYS ON MARKET Q1 2021



#### RENTAL MEDIAN PRICE Q1 2021

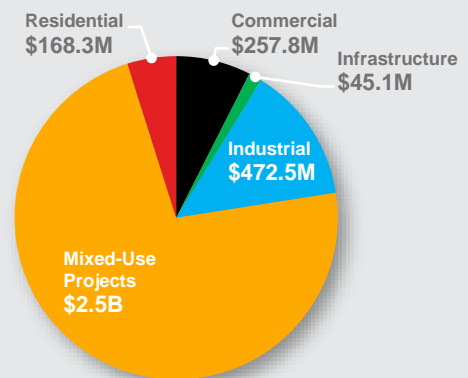


#### RENTAL AVERAGE DAYS ON MARKET Q1 2021



### FUTURE DEVELOPMENTS

Penrith\* is set to see approximately **\$3.4B** worth of new projects commencing in the 1st half of 2021.



A large focus on mixed-use projects will create an increasingly diverse Penrith\* property market, with new housing designs. Local jobs are on the horizon pre and post construction of planned projects, stimulating the economy and having a positive spill-over impacts into the local real estate market.

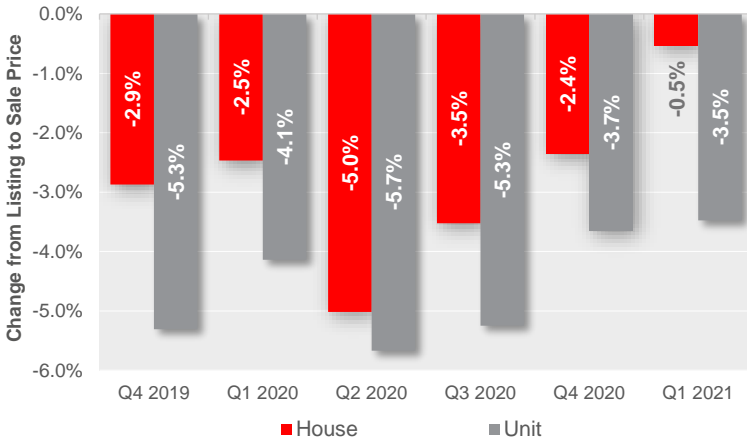
A main commercial project over the 1st half of 2021 is the \$73.9M Jordan Springs Retirement Village, which will see the construction of 3x six level apartment buildings with 139 independent living units. Roadworks infrastructure projects will improve amenities for locals.

Key residential projects include: ESQ Penrith – Stage 2 (\$100.0M, 97 units), Lord Sheffield Circuit Apartments (173 apartments, \$32.9M), and Lethbridge Street Apartments (\$8.1M, 21 apartments).



# 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.

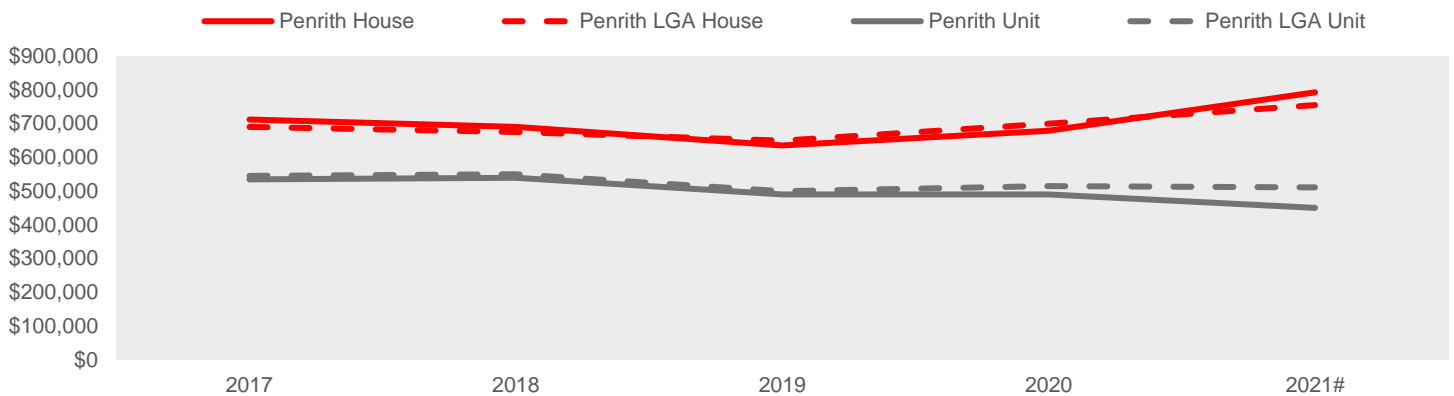


Average vendor discounts between Q1 2020 and Q1 2021 have tightened for both property types, to -0.5% for houses and -3.5% for units. Market conditions in Penrith\* are shifting towards a sellers' market, houses in particular, with sellers achieving final sale prices closer to their first list price. Buyers can still benefit from a discount however time is limited.

The suburb of Penrith has historically performed closely to the wider Penrith Local Government Area (LGA) in both house and unit median prices. This continues to be the case in 2021# to date.

The dominant proportion of homes sold in Penrith\* in 2020/21^ were in the lower-middle price point of \$600K-\$700K (30.8%). Units recorded a dominant premium price point of above \$550K (29.8%). This reveals that there is a range of price points available in Penrith's\* property market, which is good news for buyers.

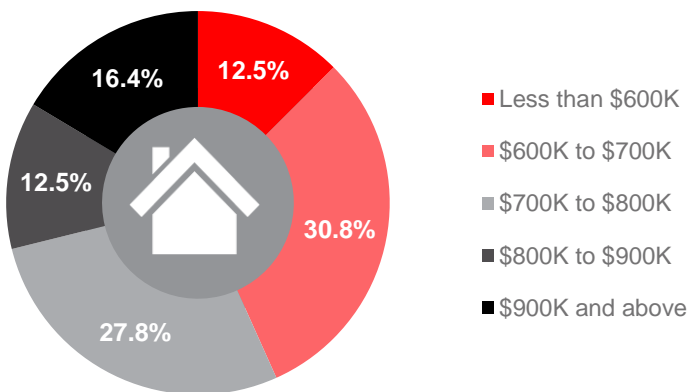
## MARKET COMPARISON



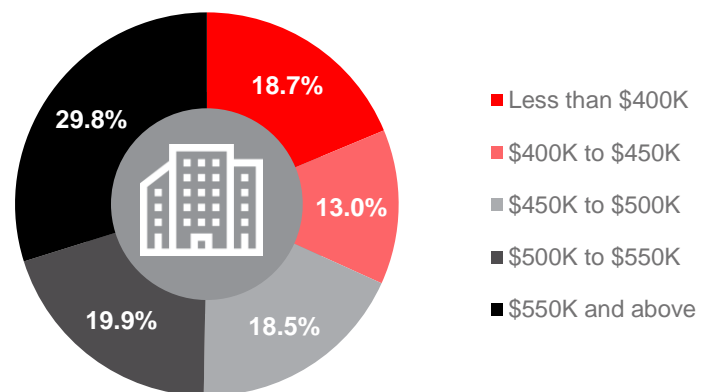
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Penrith.

## PRICE BREAKDOWN 2020/21^

### HOUSES SOLD



### UNITS SOLD

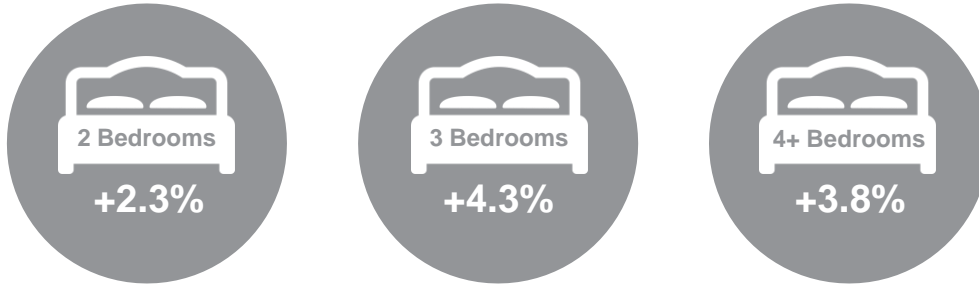


# RENTAL GROWTH 2020/21€

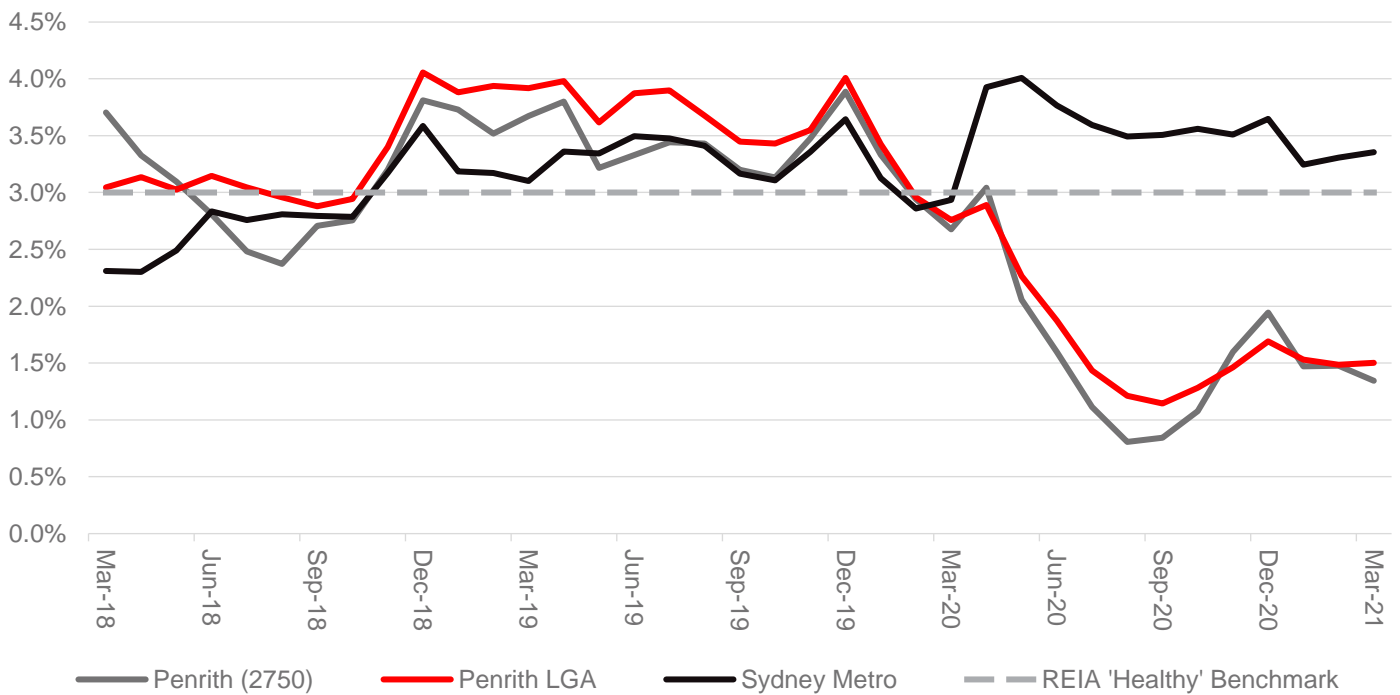
In March 2021, house rental yields in Penrith\* were recorded at 3.4%. In the 12 months to Q1 2021, the median house rental price has increased by 4.7% to reach \$450 per week, while average days on the market declined by -32.6% (to 19 days). Overall this suggests Penrith has remained quite a resilient rental market throughout COVID-19.

3 bedroom houses have provided investors with +4.3% rental growth annually, achieving a median rent of \$420 per week.

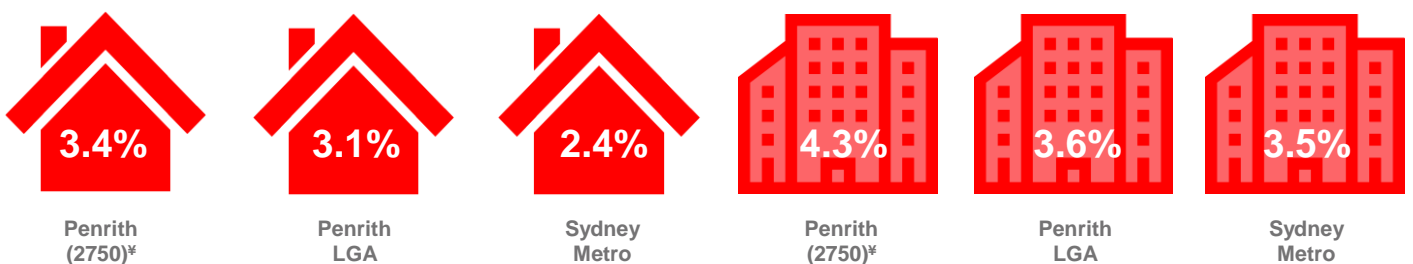
Also in March 2021, Penrith\* recorded a low vacancy rate of 1.3%, close to that of Penrith LGA (1.5%) and well below Sydney Metro (3.4%). Even amidst COVID-19 conditions vacancy rates in Penrith\* recorded a declining trend since April and December 2020, remaining below the Real Estate Institute of Australia's healthy benchmark of 3.0%. This confirms there is a healthy ongoing rental demand, creating a conducive investment environment in Penrith\*.



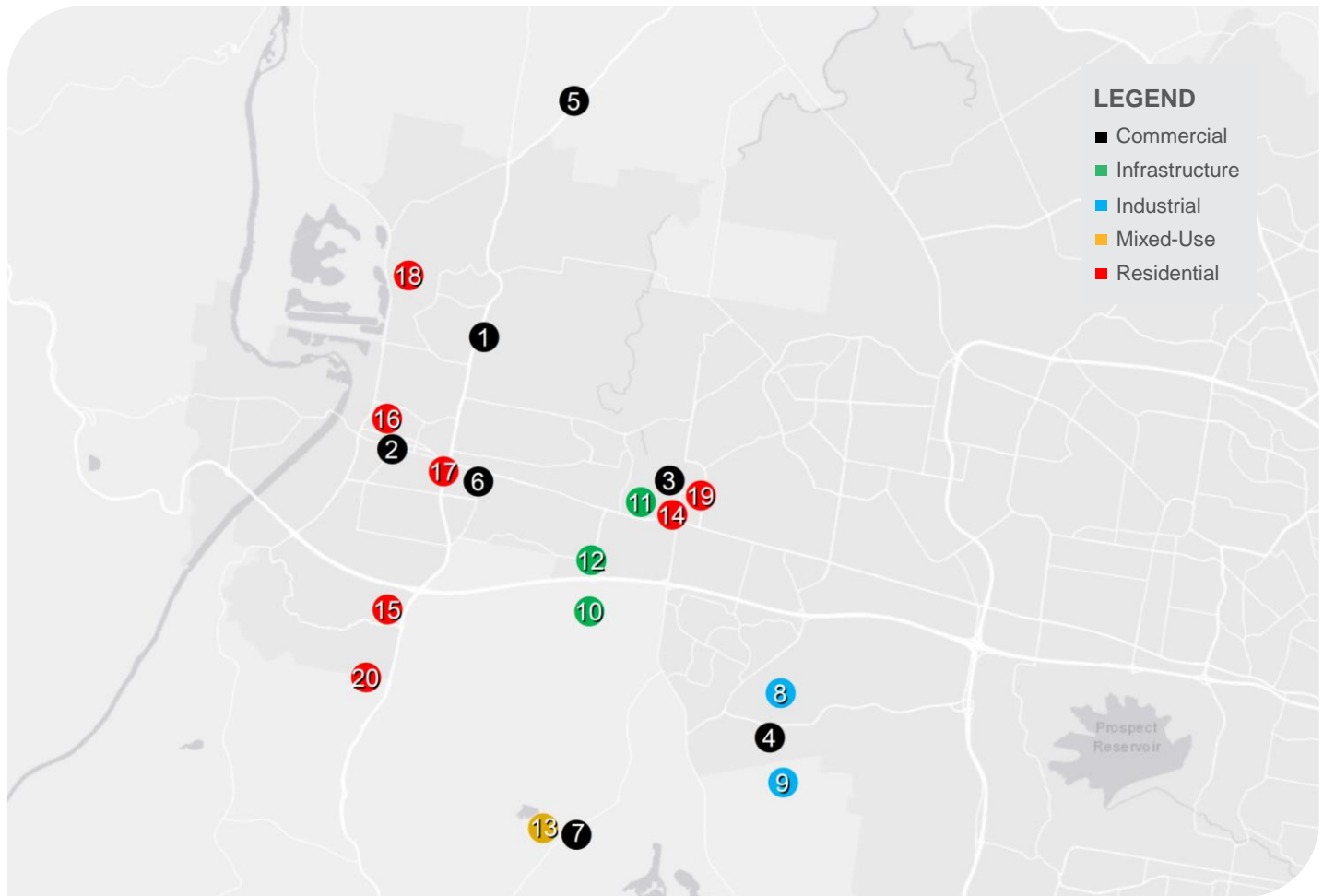
# RENTAL VACANCY RATES 2021



# RENTAL YIELD 2021§



# TOP DEVELOPMENTS MAP 1ST HALF 2021<sup>Ⓐ</sup>



| Location | Project <sup>£</sup>   | Type           | Estimated Value <sup>Ⓜ</sup> | Commence Date <sup>Ⓜ</sup> |
|----------|--|----------------|------------------------------|----------------------------|
| 1        | Jordan Springs Retirement Village                                      | Commercial     | \$73,910,000                 | 14/06/2021                 |
| 2        | 50 Belmore   | Commercial     | \$50,150,000                 | 02/05/2021                 |
| 3        | St Marys Intermodal  | Commercial     | \$33,212,000                 | 11/01/2021                 |
| 4        | Digital Realty   | Commercial     | \$29,343,000                 | 06/01/2021                 |
| 5        | Elf Mushroom Farm  | Commercial     | \$20,000,000                 | 08/04/2021                 |
| 6        | Hargrave Street Serviced Apartments                                    | Commercial     | \$11,600,000                 | 04/01/2021                 |
| 7        | Sydney Science Park  | Commercial     | \$8,166,000                  | 03/03/2021                 |
| 8        | Jamieson Street Seniors Housing Dwellings                              | Commercial     | \$3,752,000                  | 08/04/2021                 |
| 9        | Sydney Science Park Earthworks   | Commercial     | \$3,155,000                  | 10/04/2021                 |
| 10       | Oakdale West Industrial Estate   | Industrial     | \$447,072,000                | 08/05/2021                 |
| 11       | Oakdale West Estate  | Industrial     | \$20,000,000                 | 19/04/2021                 |
| 12       | N2269 Nulka Active Missile Decoy (ADM) Assembly & Maintenance Facility | Infrastructure | \$25,000,000                 | 12/04/2021                 |
| 13       | East West Connector Road - Stage 2                                     | Infrastructure | \$7,000,000                  | 10/06/2021                 |
| 14       | Caddens Road Roadworks   | Infrastructure | \$5,210,000                  | 18/01/2021                 |
| 15       | Western Sydney International (Nancy-bird Walton) Airport               | Infrastructure | \$5,000,000                  | 10/03/2021                 |
| 16       | Sydney Science Park - Penrith - Overall Project                        | Mixed-use      | \$2,500,000,000              | 14/06/2021                 |
| 17       | ESQ Penrith (97 Apartments)  | Residential    | \$100,000,000                | 01/04/2021                 |
| 18       | Lord Sheffield Circuit Apartments (173 Apartments)                     | Residential    | \$32,951,000                 | 17/04/2021                 |
| 19       | Lethbridge Street Apartments (21 Apartments)                           | Residential    | \$8,108,000                  | 29/05/2021                 |
| 20       | Bradley Heights Stage 3 (21 Dwellings)                                 | Residential    | \$6,030,000                  | 15/02/2021                 |

## 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.



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# REFERENCES

\* Penrith market data and key indicators encapsulates aggregate property market conditions within the Penrith LGA.

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

# 2021 encapsulates sales transactions for Q1 2021 (01/01/2021 – 31/03/2021).

^ 2020/21 encapsulates sales transactions for 2020 & Q1 2021 (01/01/2020 – 31/03/2021).

€ Annual rental growth is a comparison between 2019 (01/01/2019 – 31/12/2019) and 2020/21 (01/01/2020 – 31/03/2021) house median rent figures.

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

§ Rental yields shown are as reported as of March 2021.

⌘ 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.

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