

Macquarie Park and Surrounds Market Update 1st Half 2022



OVERVIEW

In Q4 2021, Macquarie Park* (which throughout this report includes Macquarie Park, North Ryde, Epping, West Ryde, and Eastwood) recorded a median house price of \$2,460,000, and a median unit price of \$791,000. This represents annual (Q4 2020 – Q4 2021) median price growth of 40.6% for houses and 2.7% for units. Unit prices reached a peak in Q2 2021, before returning in Q4 2021 to price levels seen 12 months ago. Total sales in both markets remained largely unchanged from Q4 2020 to Q4 2021, up by 4.0% for houses (to 184 sales) and down by -2.9% for units (to 301 sales).

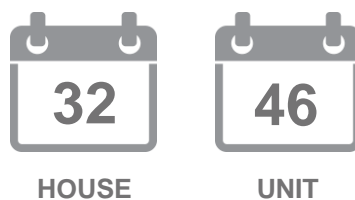
| | CHANGE FROM LAST | YEAR | HALF YEAR |
|--|--------------------|------|-----------|
| | House Sales | ↑ | ↓ |
| | House Median Price | ↑ | ↑ |
| | House Rental Price | ↑ | ↑ |
| | Unit Sales | ↓ | ↓ |
| | Unit Median Price | ↑ | ↓ |
| | Unit Rental Price | ↑ | ↑ |

MARKET CONDITIONS

SALES MEDIAN PRICE Q4 2021



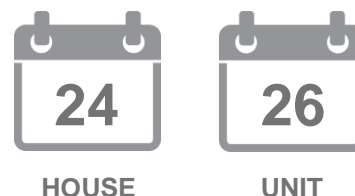
SALES AVERAGE DAYS ON MARKET Q4 2021



RENTAL MEDIAN PRICE Q4 2021

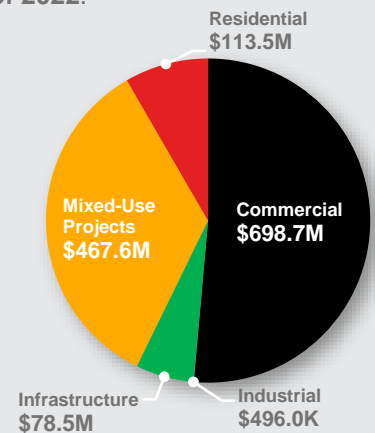


RENTAL AVERAGE DAYS ON MARKET Q4 2021



FUTURE DEVELOPMENTS

Macquarie Park* is set to see approximately **\$1.4B** worth of new projects commencing in the 1st half of 2022.



A variety of project types will stimulate economic growth in Macquarie Park* and create large employment opportunities, having a positive impact on the real estate market.

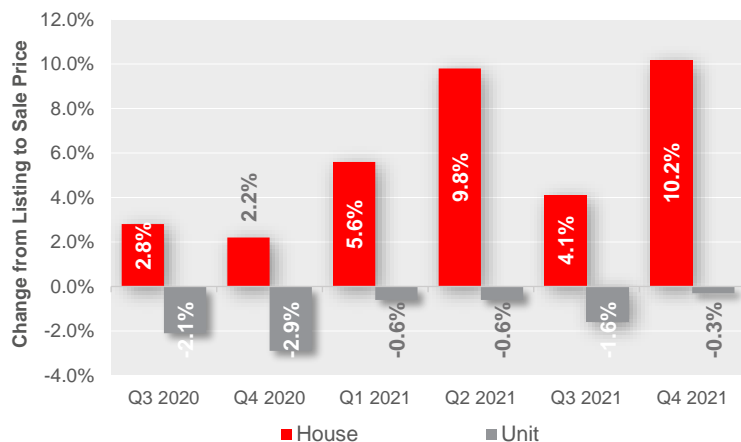
A main commercial project over the 1st half of 2022 is the construction of the Waterloo Road Commercial Building (\$113.7M) which will see 11 storeys of retail and commercial space enter Macquarie Park. An important infrastructure project set to begin over the first half of 2022 is Macquarie Park Bus priority and capacity improvement (\$20.0M), which will amenities for residents.

Residential projects set to bring new unit supply to Macquarie Park include the West Parade Units (\$52.3M, 150 Units) and Sunrise Epping Residential Development (\$20.8M, 70 Units). Mixed-use projects include the Talavera Road Mixed-Use Development (\$327.9M, 216 units) and Langston Place Mixed Development (\$56.9M, 101 units).



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.

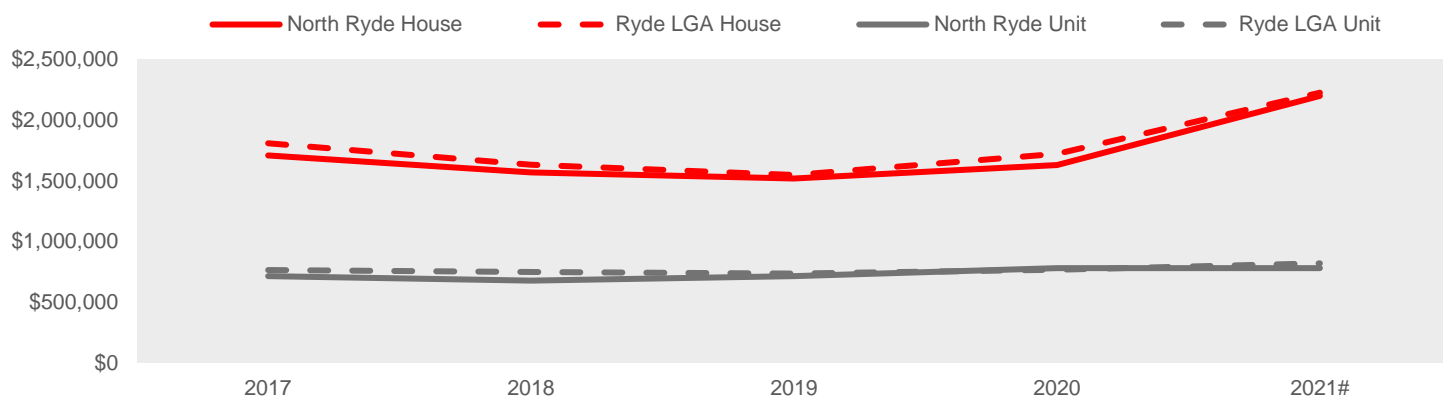


Average vendor discounts between Q4 2020 and Q4 2021 have further travelled towards a higher premium, of 10.2% for houses, and tightened to -0.3% for units. House market conditions in Macquarie Park have heavily swung to favour sellers, where buyers must pay large premiums above initial listing prices. Unit buyers can still benefit from a discount; however time is limited.

The suburb of North Ryde has historically performed very closely to the wider Ryde Local Government Area (LGA) in both house and unit median prices. This has continued to be the case throughout 2021#.

The dominant proportion of homes sold in Macquarie Park* across 2021^ were in the premium price bracket of \$2,500,000 and above (30.7%). Units also recorded a dominant premium price point of above \$1,000,000 (28.1%). There is a preference for premium stock in the house market with limited supply of affordable options. The unit market presents more affordable options.

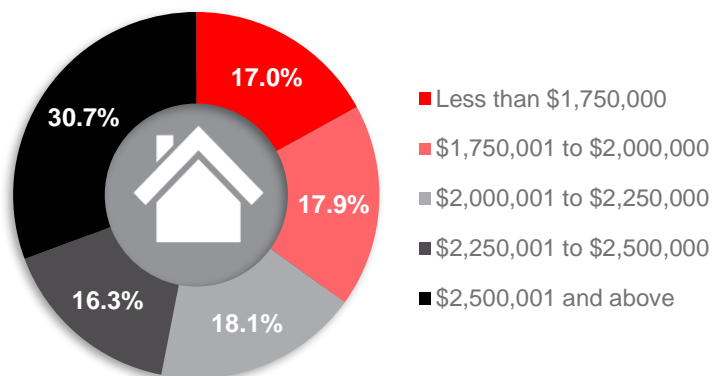
MARKET COMPARISON



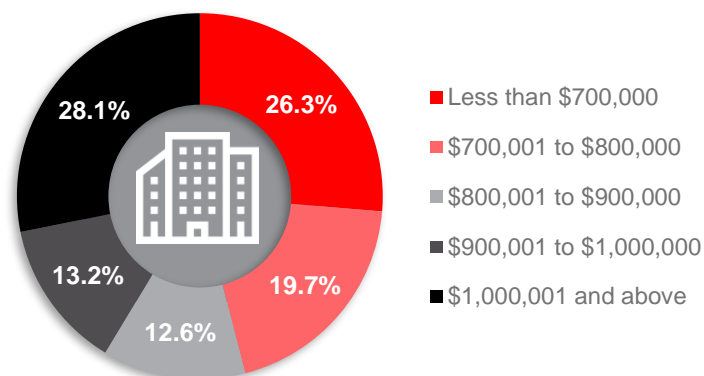
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is North Ryde.

PRICE BREAKDOWN 2021^

HOUSES SOLD



UNITS SOLD

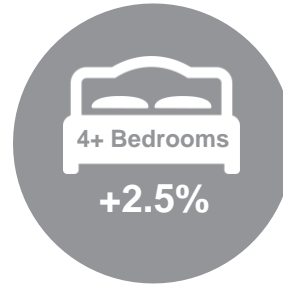
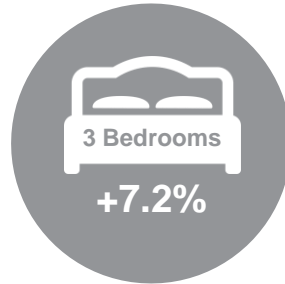


RENTAL GROWTH 2021€

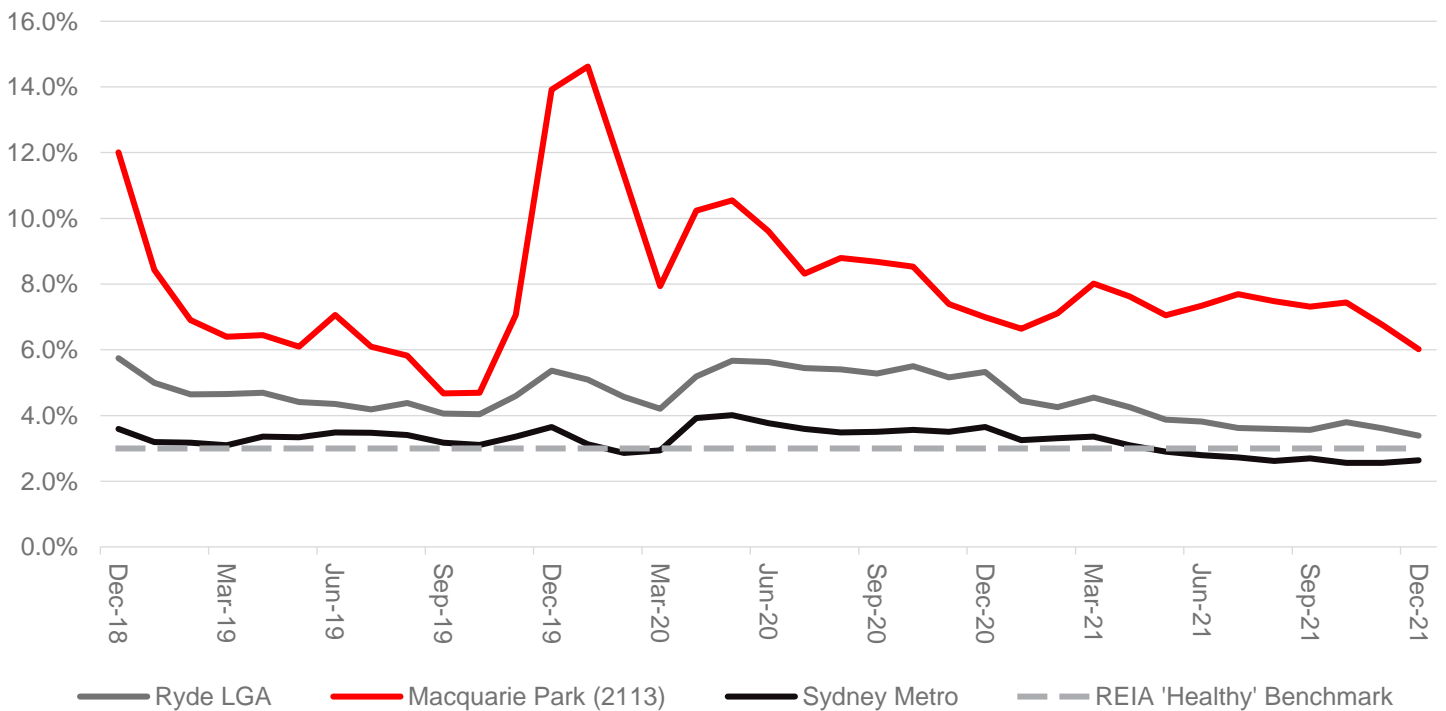
In December 2021, house rental yields in Macquarie Park (2113)* were recorded at 3.0%. In the 12 months to Q4 2021, the median house rental price increased by 18.6% to \$700 per week, while average days on the market declined by -11.1% (to 24 days). In a market dominated by units, the house rental market has performed strongly, due to a high level of demand even throughout COVID-19 lockdowns.

2 bedroom houses have provided investors with +4.2% rental growth annually€, with a median rent of \$470 per week.

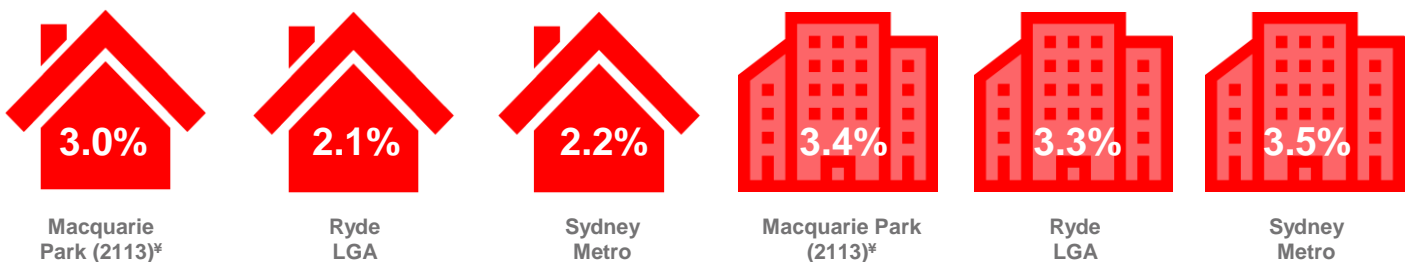
Also in December 2021, Macquarie Park* recorded a vacancy rate of 6.0%, above that of Ryde LGA (3.4%) and Sydney Metro (2.6%). Vacancy rates in Macquarie Park* also sit above the Real Estate Institute of Australia's healthy benchmark of 3.0%, though the market has been recovering since its peak in January 2020. This downward trend highlights the future potential of Macquarie Park*, whilst also prompting investors to hold tenants to longer-term leases for security of cashflow.



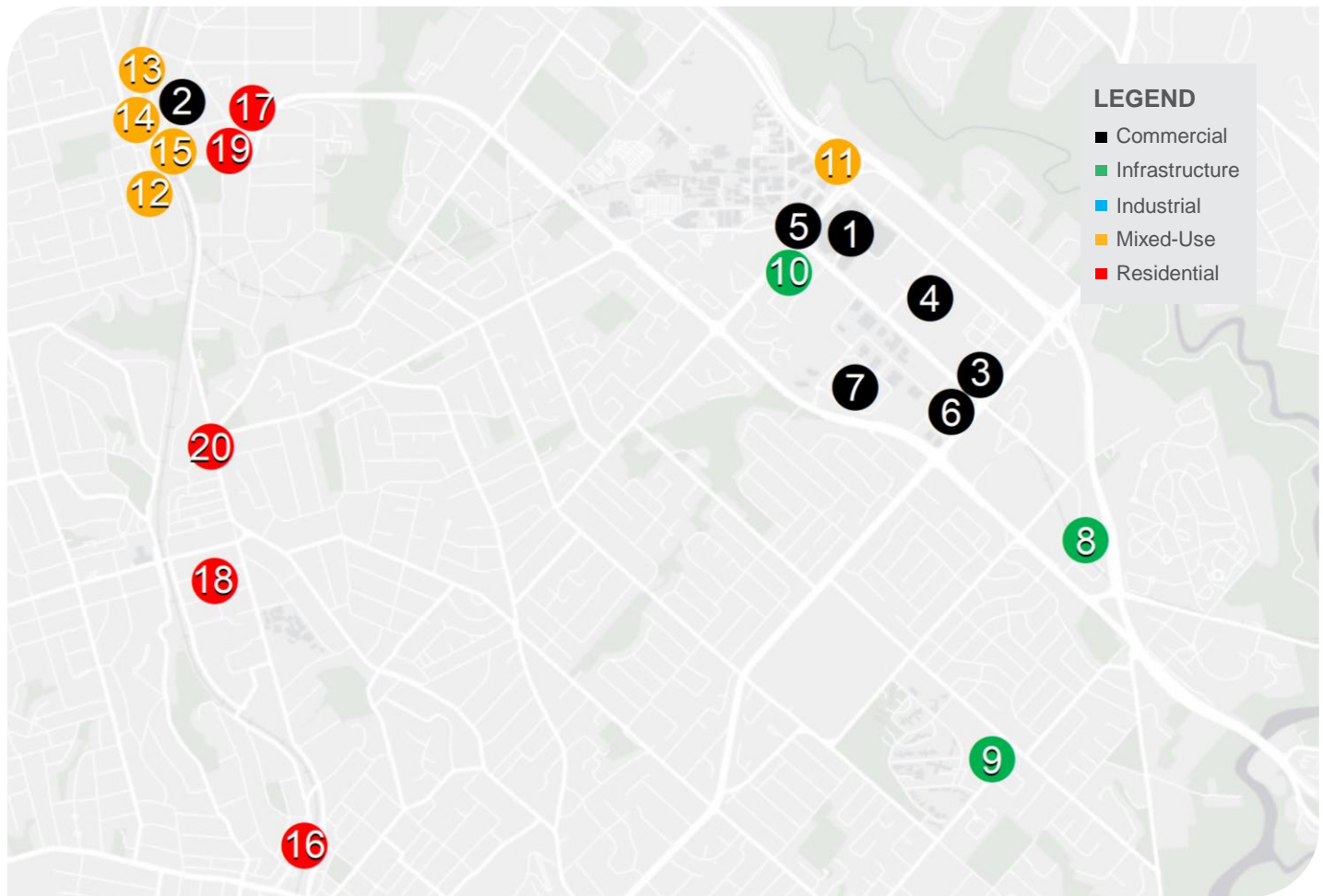
RENTAL VACANCY RATES 2021



RENTAL YIELD 2021§



TOP DEVELOPMENTS MAP 1st HALF 2022^A



| Location | Project [£] | Type | Estimated Value ^µ | Commence Date ^ψ |
|----------|---|----------------|------------------------------|----------------------------|
| 1 | Macquarie Centre | Commercial | \$195,470,000 | 20/06/2022 |
| 2 | Oxford & Cambridge Streets Aged Care Facility | Commercial | \$181,000,000 | 10/03/2022 |
| 3 | Waterloo Road Commercial Building | Commercial | \$113,770,000 | 30/03/2022 |
| 4 | M_park At Macquarie Park - Stage 1 | Commercial | \$75,000,000 | 03/01/2022 |
| 5 | Next Centre For Excellence Macquarie University | Commercial | \$74,513,000 | 14/02/2022 |
| 6 | Macquarie Park Commerce Centre - Macquarie Exchange | Commercial | \$19,140,000 | 11/06/2022 |
| 7 | Optus Campus Macquarie Park | Commercial | \$30,000,000 | 14/04/2022 |
| 8 | Lachlan's Line Macquarie Park - Stage 2 | Infrastructure | \$50,000,000 | 14/05/2022 |
| 9 | Ryde Fire Station | Infrastructure | \$8,300,000 | 02/03/2022 |
| 10 | Macquarie Park Bus Priority & Capacity Improvement | Infrastructure | \$20,000,000 | 17/03/2022 |
| 11 | Talavera Road Mixed Use Development (216 Units) | Mixed-use | \$327,836,000 | 19/03/2022 |
| 12 | Bridge St Mixed Use Development (39 Units) | Mixed-use | \$13,575,000 | 02/06/2022 |
| 13 | Cambridge Street Shop Top Housing - Poly Horizon (84 Units) | Mixed-use | \$45,915,000 | 30/05/2022 |
| 14 | Cambridge Street Shop Top Housing – Epica (83 Units) | Mixed-use | \$23,398,000 | 03/04/2022 |
| 15 | Langston Place Mixed Development (101 Units) | Mixed-use | \$56,846,000 | 18/05/2022 |
| 16 | West Parade Units (150 Units) | Residential | \$52,319,000 | 01/01/2022 |
| 17 | Pembroke St Units (66 Units) | Residential | \$18,400,000 | 01/03/2022 |
| 18 | Second Av Units (31 Units) | Residential | \$14,621,000 | 10/03/2022 |
| 19 | Sunrise Epping Residential Development (70 Units) | Residential | \$20,784,000 | 18/05/2022 |
| 20 | Blaxland Road Apartments (12 Units) | Residential | \$3,728,000 | 16/05/2022 |

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.



Albert Sahyoun, Licensee

M +61 422 660 224

E albert.sahyoun@prd.com.au

PRD Macquarie Park

P +61 422 660 224

Suite 3.4, Level 3
56 Delhi Road
Macquarie Park NSW 2113

[PRD.com.au/macquariepark](https://www.prd.com.au/macquariepark)

REFERENCES

* Macquarie Park market data and key indicators encapsulates aggregate property market conditions within the suburbs of Macquarie Park, North Ryde, Epping, West Ryde, and Eastwood.

** 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 2021 (01/01/2021 – 31/12/2021) only.

^ 2021 encapsulates sales transactions for 2021 (01/01/2021 – 31/12/2021) only.

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

¥ Macquarie Park market data encapsulates aggregate property conditions within the postcode of 2113.

§ Rental yields shown are as reported as of December 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 suburbs of Macquarie Park, North Ryde, Epping, West Ryde, and Eastwood.

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 2021.