



> Affordable & Liveable Property Guide
Sydney Metro 1st Half 2022

OVERVIEW

Median property prices in Sydney Metro increased by 5.6% for houses to \$1,965,000 from Q1 2020 to Q1 2022*, and by 0.9% for units at \$822,000. Between Q1 2021 – Q1 2022 total sales declined by -9.6% (to 4,910 sales) for houses and -11.7% (to 7,920 sales) for units. In comparison, between Q3 2020 – Q3 2021 Sydney Metro's median price grew by 21.2% for houses and 9.8% for units. During this time, number of sales grew by 9.6% for houses and 21.1% for units. The Sydney Metro market still shows growth, however at a much slower pace than before and fuelled by an undersupply. A total of \$10.8B of projects are planned across the 1st half of 2022, with many mixed-use and residential projects due to commence and replenish property stock. Key indicators show the market is experiencing a turn. Furthermore, the economy is entering a new phase of a higher cash rate and less fiscal / government stimulus. Thus, now is the time to transact.

RECENT TOP PERFORMERS

Area	Suburb	Type	Median Price 2020	Median Price 2021/22*	Price Growth	Projects 2022***
Inner	Cammeray	House	\$2,500,000	\$3,225,000	29.0%	\$16.4M
	Glebe	Unit	\$839,000	\$1,088,000	29.5%	\$1.5M
North	Willoughby	House	\$2,395,000	\$3,050,000	27.3%	\$89.8M
	Cromer	Unit	\$590,000	\$795,000	34.7%	\$45.0M
South	Kurnell	House	\$1,068,750	\$1,660,000	55.3%	\$63M
	Banksmeadow	Unit	\$840,000	\$1,265,000	50.6%	\$47.3M
East	Double Bay	House	\$4,267,500	\$6,050,000	41.8%	\$235.0M
	Mosman	Unit	\$1,000,000	\$1,200,000	20.0%	\$76.6M
West	Gladesville	House	\$1,910,000	\$2,531,000	32.5%	\$26.0M
	Hunters Hill	Unit	\$967,500	\$1,235,000	27.6%	\$10.0M

METHODOLOGY

This affordable and liveable property guide for Sydney Metro analyses all suburbs within a 20km radius of the Sydney CBD. The following criteria were considered:

- **Property trends criteria** – all suburbs have a minimum of 20 sales transactions for statistical reliability purposes. Based on market conditions, suburbs have either positive or as close as possible to neutral price growth between 2020 to 2021/22*.
- **Investment criteria** – as of March 2022, suburbs considered will have an on-par or higher rental yield than Sydney Metro, and an on-par or lower vacancy rate.
- **Affordability criteria** – This was determined by the percentage premiums that needed to be added to the New South Wales (NSW) average home loan, which was \$763,990** as of Q4 2021. For the chosen suburbs in this report a premium between 57.1% to 114.7% for houses and -21.6% to -7.1% for units were needed on top of the NSW average home loan. This is below the premium required to reach Sydney Metro's median prices, which is 157.2% for houses and 7.6% for units. Thus, the chosen suburbs in this report are more affordable for buyers.
- **Development criteria** – suburbs identified must have a high total estimated value of future project development for the 1st half of 2022, as well as a higher proportion of commercial and infrastructure projects. This ensures the suburbs show signs of sustainable economic growth, in turn positively affecting the property market.
- **Liveability criteria** – all identified suburbs have low crime rates, availability of amenities within a 5km radius (i.e. schools, green spaces, public transport, shopping centres and health care facilities), and an unemployment rate on-par or lower in comparison to the NSW average (as determined by the Department of Jobs and Small Business, December Quarter 2021 release).

*Median price quoted captures sale transactions from 1st January 2021 to 31st March 2022, or Q1 2021 – Q1 2022. **Average home loan figure is derived from December Quarter 2021 Housing Affordability Report by the Real Estate Institute of Australia (REIA) and Adelaide Bank. ***Project development is based on aggregate of estimated construction value for residential, commercial, industrial, mixed-use and infrastructure projects scheduled to commence in the 1st half of 2022 as stated by the relevant data authority. ^Annual Change is reflective of median price change from Q1 2021 to Q1 2022. Figures displayed in infographics are for the period Q1 2022.
Source: APM Pricerfinder, REIA, SQM Research, Cordell Connect, Department of Jobs and Small Business. © PRD 2022.

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SYDNEY METRO

Annual Change^



Sales ↓
Median Price ↑
Rental Price ↑



Sales ↓
Median Price ↑
Rental Price ↑

MEDIAN SALE PRICE

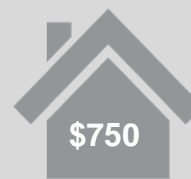


HOUSE



UNIT

MEDIAN RENTAL PRICE



HOUSE



UNIT

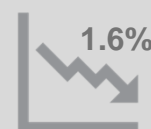
BENCHMARKS SYDNEY METRO



HOUSE YIELD



UNIT YIELD



VACANCY
RATE

BENCHMARKS NEW SOUTH WALES

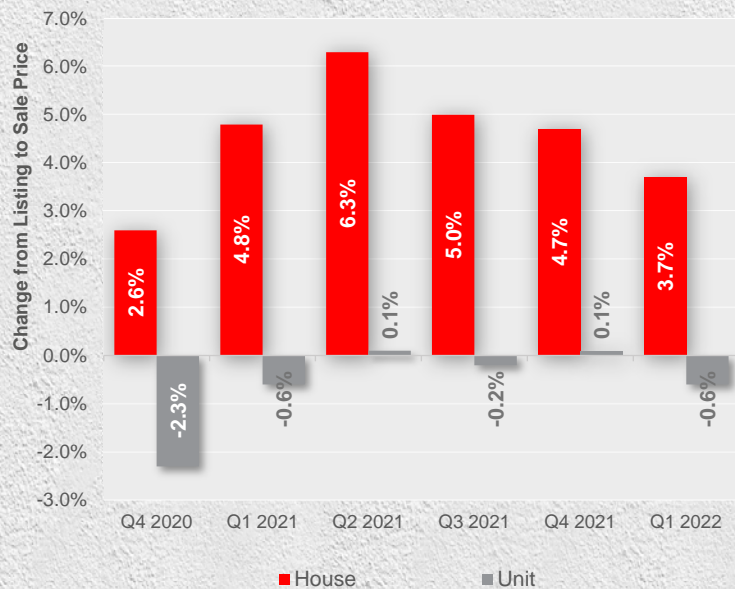


UNEMPLOYMENT
RATE



AVERAGE
HOME LOAN
\$763,990

AVERAGE VENDOR DISCOUNT

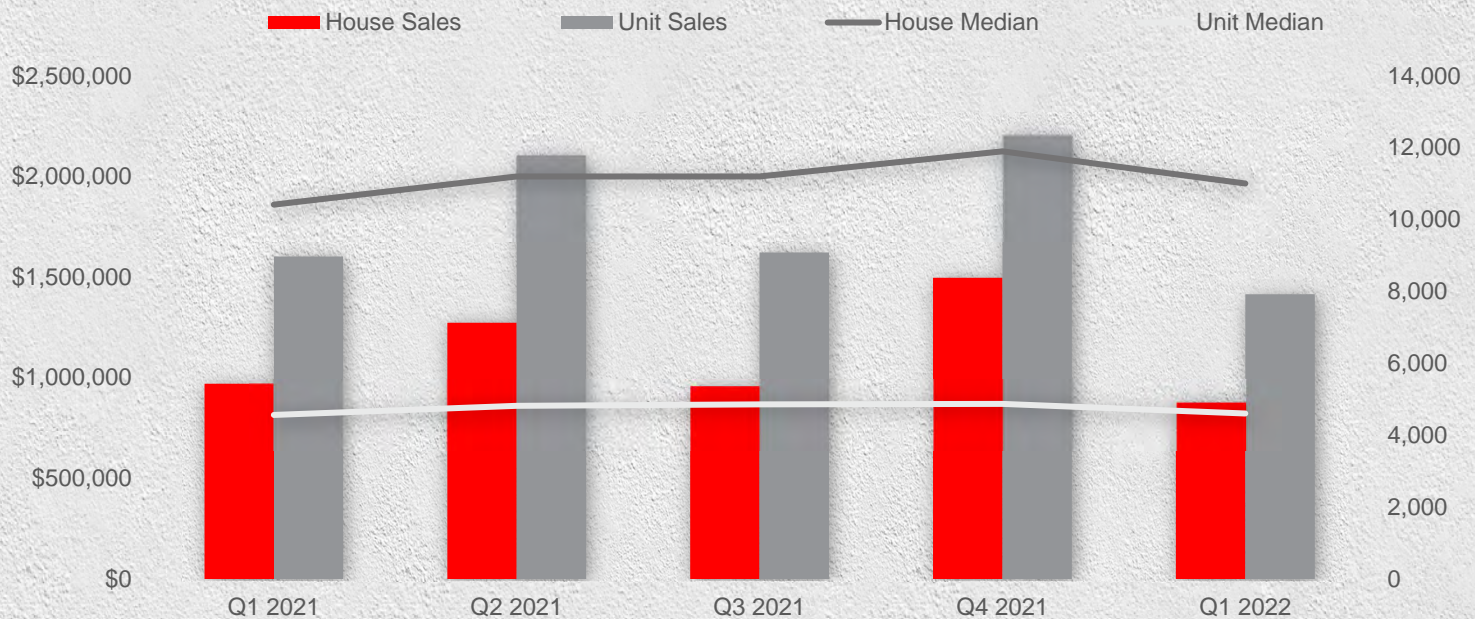


KEY COMMENTS

Average vendor discounts between Q1 2021 and Q1 2022 for houses continue to trend as a premium, but have declined from 4.8% to 3.7%. Sydney Metro still favours sellers, but is slowly drifting to a buyer's market for houses, with the lowest premium recorded in the past 12 months. Average vendor discount for units remained stable at 0.6% between Q1 2021 – Q1 2022, providing buyers with stability in terms of purchasing power.

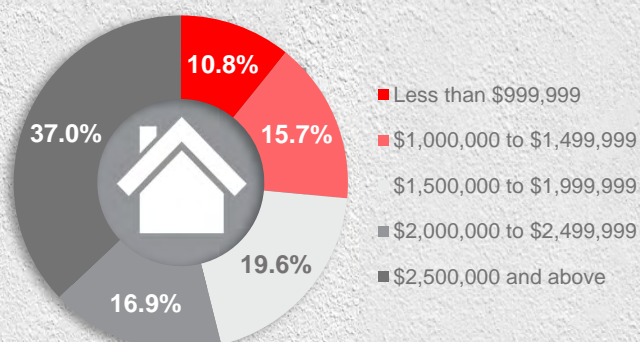
The dominant proportion of homes sold in 2021/22[#] were in the premium price bracket of \$2,500,000 and above (37.0%). Units also had a dominant premium price bracket of \$1,200,000 and above (28.0%). The premium market grew, but so did the most affordable price range. In Q3 2020 – Q3 2021 it accounted for 8.2% (houses) and 15.4% (units). Now it is 10.8% (houses) and 18.3% (units), an opportunity for buyers.

MARKET PERFORMANCE

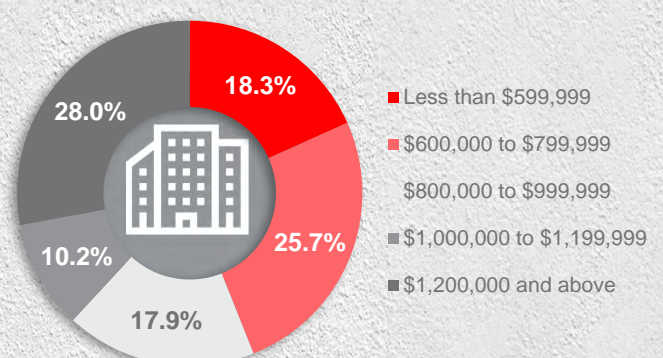


PRICE BREAKDOWN 2021/22[#]

HOUSES SOLD

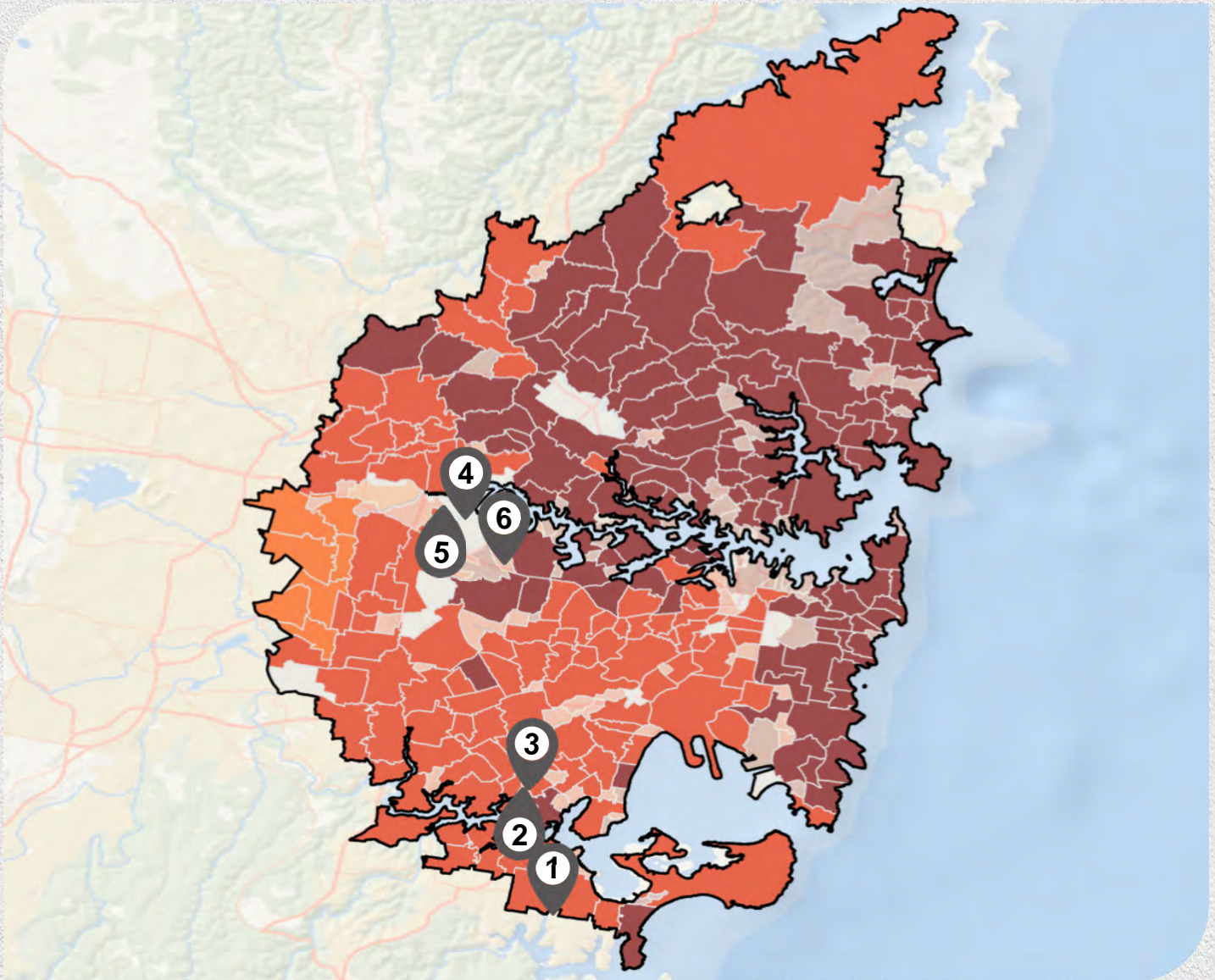


UNITS SOLD



SYDNEY METRO MEDIAN HOUSE PRICE 2021/22* 20KM FROM CBD

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LEGEND

	Data not available
	\$800,000 - \$1,000,000
	\$1,000,000 - \$2,000,000
	\$2,000,000+
	20km from CBD

Translucent colours for <20 sales

SYDNEY AFFORDABLE & LIVEABLE SUBURBS RENTAL YIELD

	Suburb	House		Suburb	Unit
1	Miranda	2.4%	4	Telopea	4.2%
2	Riverwood	3.0%	5	North Paramatta	3.6%
3	Peakhurst	3.0%	6	Wentworth Point	4.5%

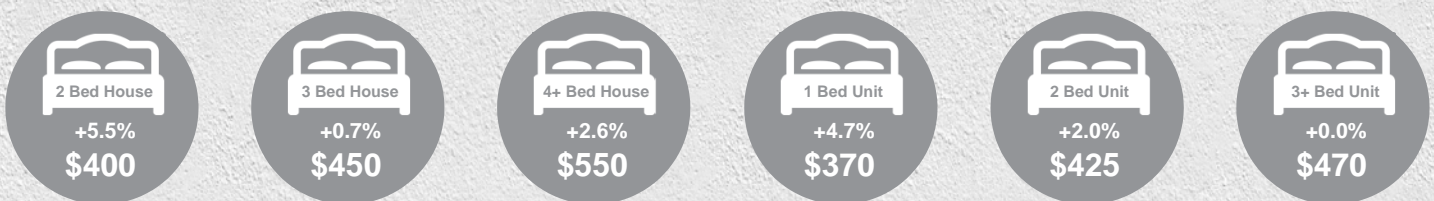
*House median price reflected in the heat-map captures sale transactions from 1st January 2021 to 31st March 2022.
Source: APM Pricerfinder, ESRI ArcGIS, SQM Research. © PRD 2022.

RENTAL GROWTH 2021/22€

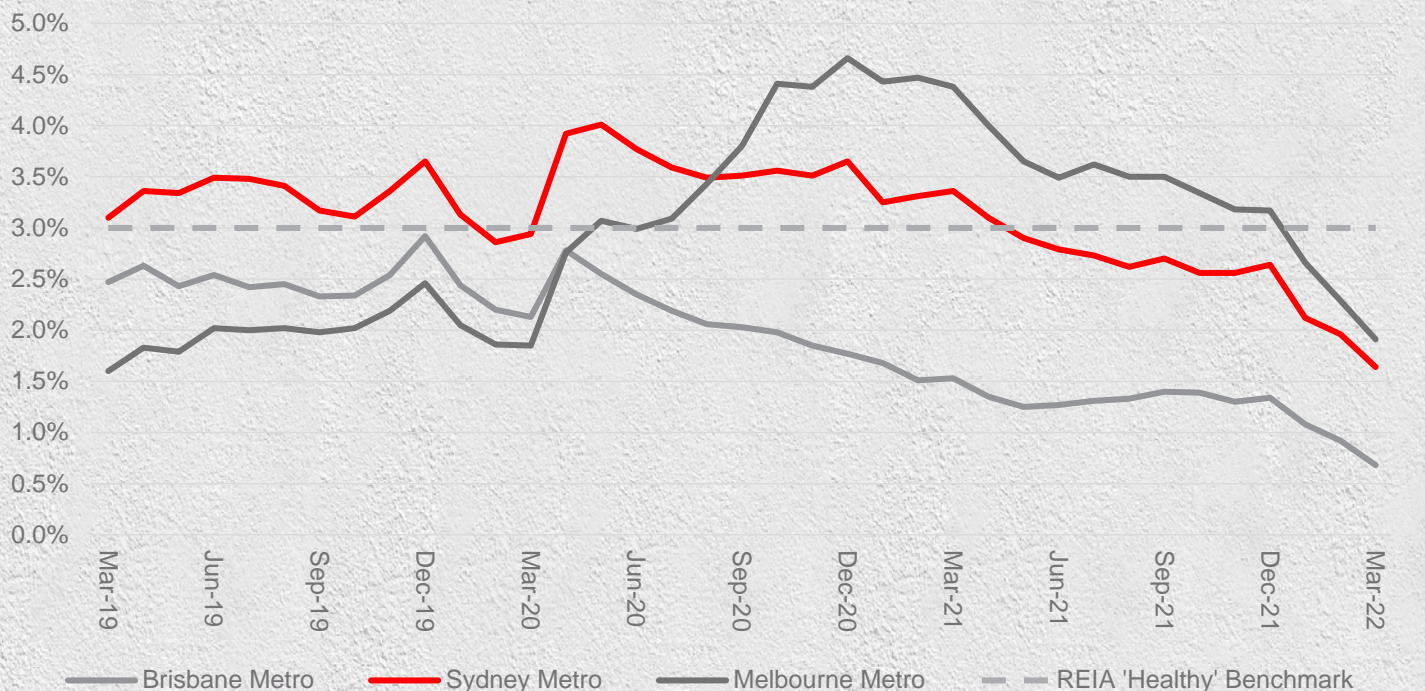
In March 2022, house rental yields in Sydney Metro were recorded at 2.3%. In the 12 months to Q1 2022 the median house rental price increased by 25.0% to \$750 per week, further complemented with a low average days on the market of 22 days. The house rental market has continued to show strong growth, growing at a faster rate than the median house sale price for the same period (5.6%). Now is the time for investors to act and capitalise on a slower selling market and higher rental demand.

Two bedroom houses recorded the highest annual rental growth of +5.5%. One bedroom units recorded the highest annual rental growth of +4.7%, in contrast to the previous 6 months where 3 bedroom units had the highest annual rental growth. Smaller bedroom configurations are recording stronger growth, indicating many are coming back to Sydney Metro.

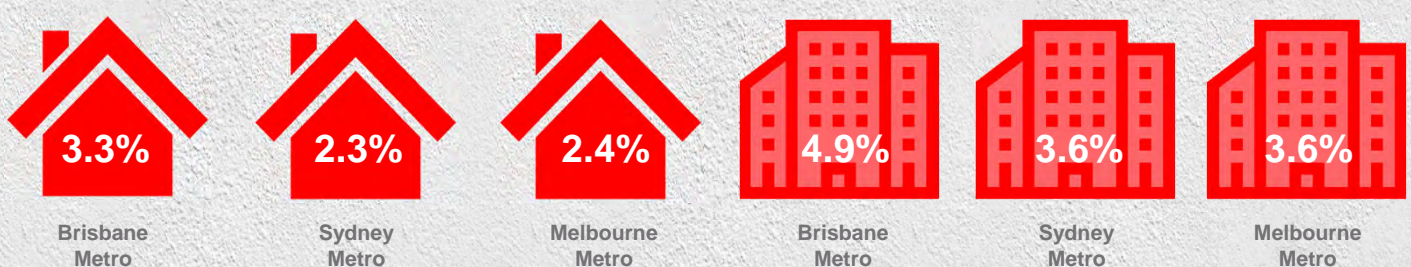
In March 2022, Sydney Metro recorded a low vacancy rate of 1.6%, above Brisbane Metro (0.7%) and below Melbourne Metro (1.9%). Sydney Metro vacancy rates have remained below the Real Estate Institute of Australia's healthy benchmark of 3.0% for almost 12 months. It has continued to show a declining trend since December 2019, showcasing historical low trends in the past 24 months. Combined with median rental price growth, this creates a confident investment environment.



RENTAL VACANCY RATES 2022



RENTAL YIELD 2022§



€ Annual rental growth is a comparison between Q1 2021 – Q1 2022 (01/01/2021 – 31/03/2022) house median rent figures.
 § Rental yields shown are as reported at March 2022.

Source: APM Pricerfinder, SQM Research. © Copyright PRD 2022.

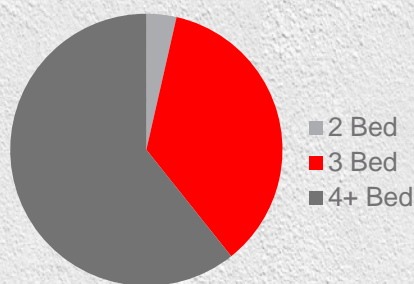


PROPERTY CLOCK - HOUSES



AFFORDABLE & LIVEABLE HOUSE SUBURBS

MIRANDA 2228

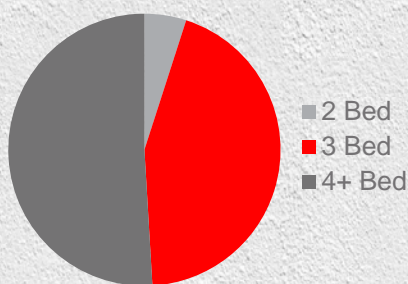


Located about **20.0km** from the Sydney CBD.

Median House Price **\$1,640,000**

- 2 Bed Median Price **\$1,620,000***
- 3 Bed Median Price **\$1,612,500**
- 4+ Bed Median Price **\$1,815,000**

PEAKHURST 2210

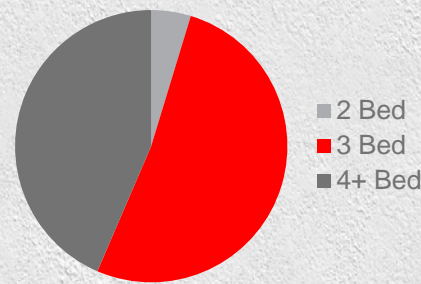


Located about **17.0km** from the Sydney CBD.

Median House Price **\$1,415,000**

- 2 Bed Median Price **\$1,102,500***
- 3 Bed Median Price **\$1,306,000**
- 4+ Bed Median Price **\$1,458,750**

RIVERWOOD 2210



Located about **17.0km** from the Sydney CBD.

Median House Price **\$1,200,000**

- 2 Bed Median Price **\$1,117,250***
- 3 Bed Median Price **\$1,150,000**
- 4+ Bed Median Price **\$1,305,000**

Annual Median Price Growth	27.0%**
Vacancy Rate (Mar-22)	1.2%
Rental Yield (Mar-22)	2.4%
Key Amenity (5km)	Westfield Miranda Shopping Centre
Total Projects (\$)	\$88.0M^
Key Project	Monarch Apartments (\$14.1M, 52 Apartments)
Unemployment Rate	3.0%

Annual Median Price Growth	22.8%**
Vacancy Rate (Mar-22)	1.3%
Rental Yield (Mar-22)	3.0%
Key Amenity (5km)	Hurstville Private Hospital
Total Projects (\$)	\$17.1M^
Key Project	LAHC Peakhurst (\$15.2M, 30 Units)
Unemployment Rate	4.5%

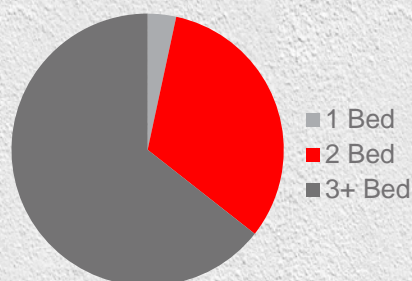
Annual Median Price Growth	20.0%**
Vacancy Rate (Mar-22)	1.3%
Rental Yield (Mar-22)	3.0%
Key Amenity (5km)	Riverwood Plaza
Total Projects (\$)	\$39.7M^
Key Project	Pennsylvania Road Units (\$15.0M, 51 Units)
Unemployment Rate	4.5%



PROPERTY CLOCK - UNITS

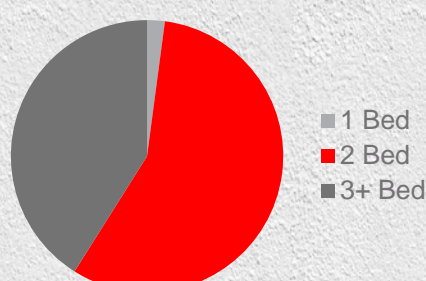


AFFORDABLE & LIVEABLE UNIT SUBURBS

TELOPEA
2117

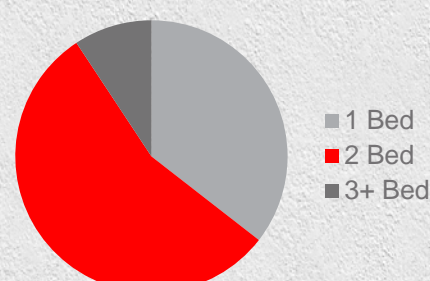
Located about **17.0km** from the Sydney CBD.

Median Unit Price	\$690,000
• 1 Bed Median Price	\$497,500
• 2 Bed Median Price	\$590,000*
• 3+ Bed Median Price	\$865,000*

NORTH PARRAMATTA
2151

Located about **20.0km** from the Sydney CBD.

Median Unit Price	\$598,750
• 1 Bed Median Price	\$450,000*
• 2 Bed Median Price	\$550,000
• 3+ Bed Median Price	\$764,500

WENTWORTH POINT
2127

Located about **13.0km** from the Sydney CBD.

Median Unit Price	\$710,000
• 1 Bed Median Price	\$578,500*
• 2 Bed Median Price	\$740,000
• 3+ Bed Median Price	\$1,001,000

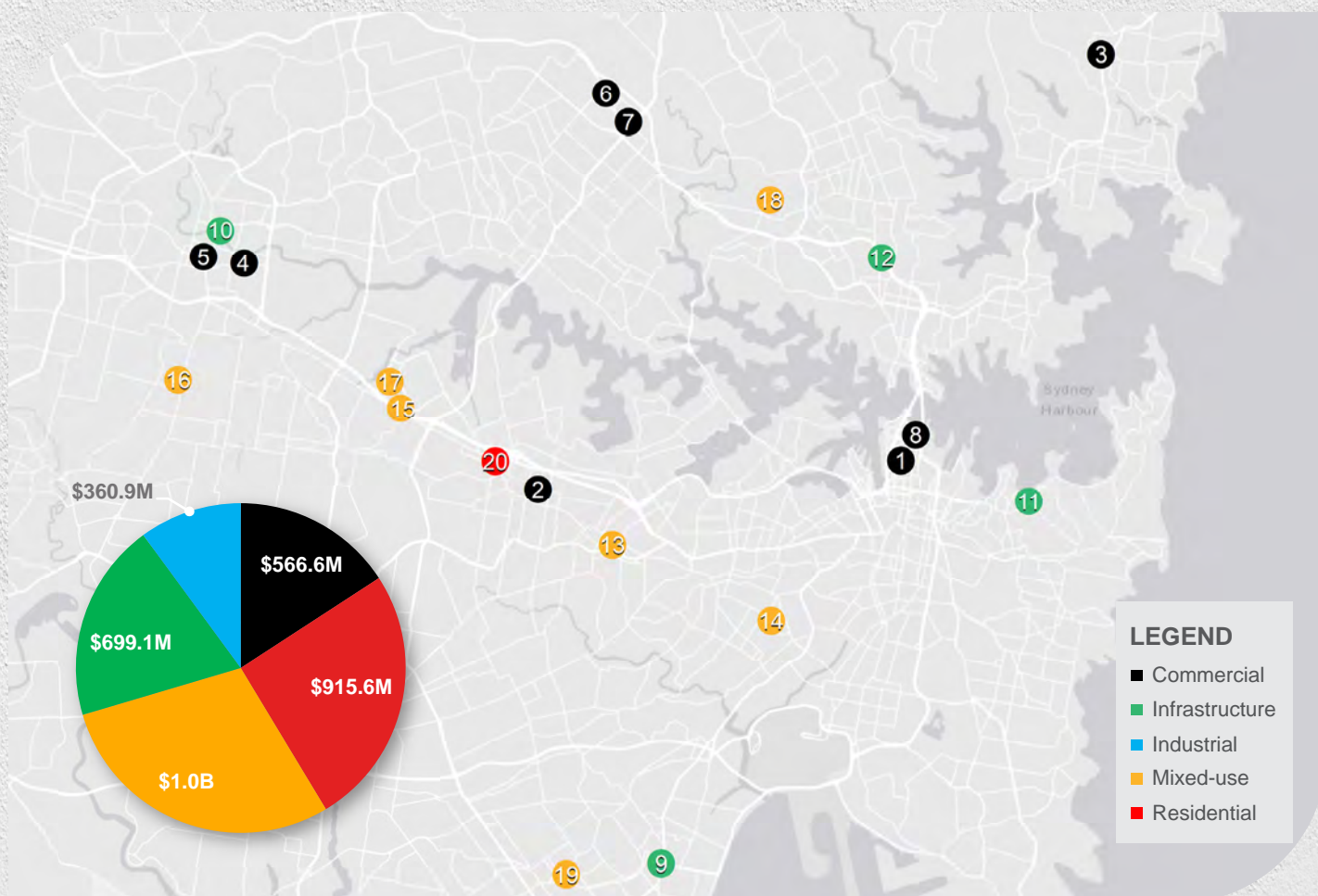
Annual Median Price Growth	6.2%**
Vacancy Rate (Mar-22)	1.0%
Rental Yield (Mar-22)	4.2%
Key Amenity (5km)	Waratah Shopping Centre Telopea
Total Projects (\$)	\$12.0M^
Key Project	Fig Tree Avenue Mixed Use (\$12.0M, 36 Apartments)
Unemployment Rate	4.4%

Annual Median Price Growth	2.4%**
Vacancy Rate (Mar-22)	1.3%
Rental Yield (Mar-22)	3.6%
Key Amenity (5km)	Entrada Shopping Centre
Total Projects (\$)	\$14.9M^
Key Project	Pennant Street Townhouses (\$10.5M, 29 Townhouses)
Unemployment Rate	4.4%

Annual Median Price Growth	4.4%**
Vacancy Rate (Mar-22)	1.4%
Rental Yield (Mar-22)	3.6%
Key Amenity (5km)	Rhodes Waterside Shopping Centre
Total Projects (\$)	\$89.0M^
Key Project	Hill Road Apartments (\$89.0M, 207 Apartments)
Unemployment Rate	4.4%

PROJECT DEVELOPMENT MAP 1st HALF 2022*

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Location	Project [£]	Type	Estimated Value ^µ	Suburb
1	George & Market Streets Commercial Building	Commercial	\$250,921,000.00	Sydney
2	Burwood RSL Hotel & Club	Commercial	\$231,854,000.00	Burwood
3	Warringah Mall	Commercial	\$226,459,000.00	Brookvale
4	George Street Commercial Building	Commercial	\$208,125,000.00	Parramatta
5	Westfield Parramatta	Commercial	\$200,000,000.00	Parramatta
6	Macquarie Centre	Commercial	\$195,470,000.00	Macquarie Park
7	Waterloo Road Commercial Building	Commercial	\$113,770,000.00	Macquarie Park
8	Amp Building	Commercial	\$155,980,000.00	Sydney
9	M6 Extension Stage 1	Infrastructure	\$2,520,000,000.00	Kogarah
10	Powerhouse Parramatta	Infrastructure	\$400,000,000.00	Parramatta
11	Cross Street Carpark Development Site Double Bay	Infrastructure	\$200,000,000.00	Double Bay
12	Warringah Freeway	Infrastructure	\$150,000,000.00	Naremburn
13	Thomas Street Mixed Use Development- (264 Apartments)	Mixed-use	\$121,822,000.00	Ashfield
14	Victoria Road Mixed Use Development - Wicks Place- (272 Apartments)	Mixed-use	\$129,148,000.00	Marrickville
15	Uhrig Road Mixed Use Development - Vivacity Stage 2- (579 Apartments, 4 Townhouses)	Mixed-use	\$177,540,000.00	Lidcombe
16	Merrylands East Neighbourhood Centre-(413 Apartments)	Mixed-use	\$142,346,000.00	Merrylands
17	Ymci Homebush City Garden - Zone 3 - Ovation Quarter-(417 Units)	Mixed-use	\$172,744,000.00	Lidcombe
18	Watermark – Chatswood-(106 Dwellings)	Mixed-use	\$107,272,000.00	Chatswood
19	Forest Road Shop Top Housing-(219 Apartments)	Mixed-use	\$95,030,000.00	Hurstville
20	Columbia Lane Apartments - Grand Park-(360 Apartments)	Residential	\$132,220,000.00	Homebush

* Project development map showcases a sample of upcoming projects only, due to accuracy of addresses provided by the data provider for geocoding purposes.

£ Top Projects are based on suburbs located within a 20km radial distance of the Sydney CBD.

µ Estimated value is the value of construction costs provided by relevant data authority, it does not reflect the project's sale/commercial value.

Source: Cordell Connect database, ESRI ArcGIS, © PRD 2022.

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 RESEARCH 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.

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- Primary qualitative and quantitative research
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- Geographic information mapping
- Project Analysis including product and pricing recommendations
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