



Penrith Market Update 1st Half 2022



OVERVIEW

In Q1 2022, Penrith* recorded a median house price of \$921,000 and a median unit price of \$580,000. This represents annual (Q1 2021 – Q1 2022) median price growth of 17.3% for houses and 10.9% for units. Total sales decreased between Q1 2021 – Q1 2022, by -11.5% (to 610 sales) for houses and by -27.1% (to 309 sales) for units. The Penrith* market is undersupplied, as price growth is alongside lower sales volume. Now is the ideal time for owner-occupiers and downsizers to capitalise on their investments, and for developers offering ready-to-sell stock to enter the market.

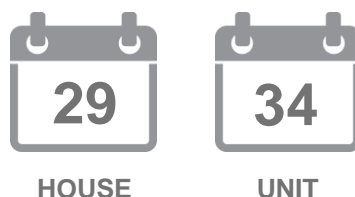
	CHANGE FROM LAST	YEAR	HALF YEAR
			
House Sales		↓	↓
House Median Price		↑	↑
House Rental Price		↑	↑
			
Unit Sales		↓	↓
Unit Median Price		↑	↑
Unit Rental Price		↑	↑

MARKET CONDITIONS

SALES MEDIAN PRICE Q1 2022



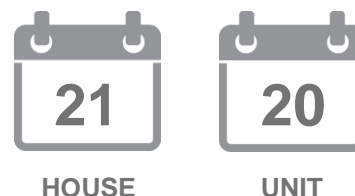
SALES AVERAGE DAYS ON MARKET Q1 2022



RENTAL MEDIAN PRICE Q1 2022

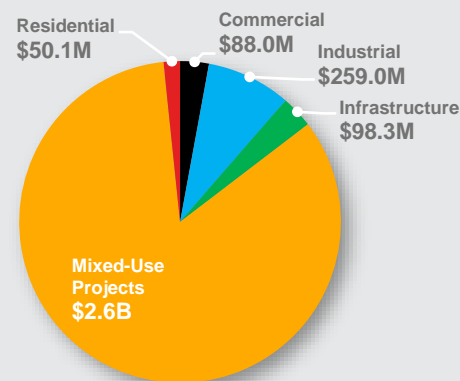


RENTAL AVERAGE DAYS ON MARKET Q1 2022



FUTURE DEVELOPMENTS

Penrith is set to see approximately **\$3.0B** worth of new projects commencing in the 1st half of 2022.



These projects will stimulate economic growth and create large employment opportunities in Penrith. This will have a spill-over impact on the real estate market, in the form of higher demand for housing.

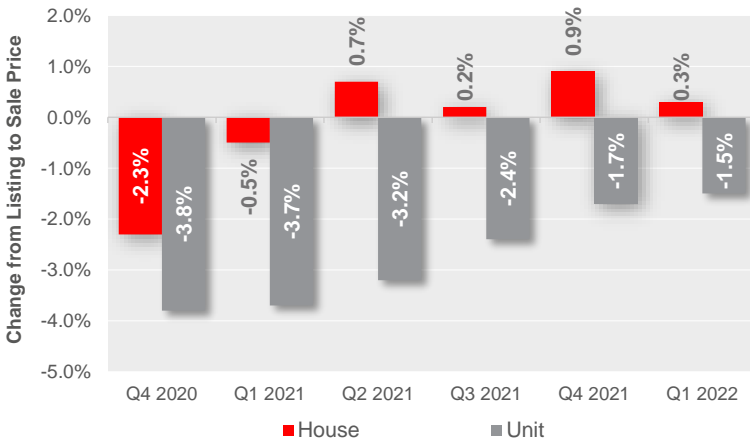
A main mixed use project over the 1st half of 2022 is the Sydney Science Park (\$2.5B), which plans to build Australia's first greenfield smart city. The park aims to utilise a 287 hectare site to create new 3400 dwellings and a village centre. Other key projects include Kemps Creek Warehouse & Logistics Hub – The Yards (\$189.2M) and the Western Sydney International (Nancy-bird Walton) Airport (\$20.0M).

Key residential projects include: Hope Apartments (\$1.57M, 51 Units), Lethbridge Apartments (\$924K, 40 Units) and Nepean Rise (\$901K, 46 Units). This will assist with the current imbalance of supply and demand in the market.



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.

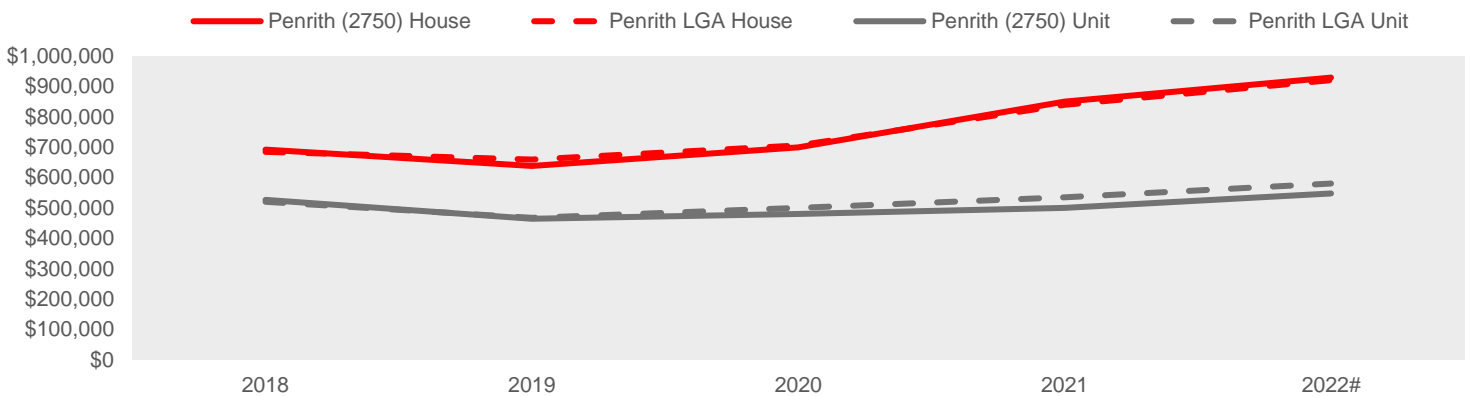


Average vendor discounts between Q1 2021 and Q1 2022 have shifted for both property types, swinging to a premium of 0.3% for houses and tightened to a less of a discount of -1.5% for units. Market conditions in Penrith LGA have shifted to favour vendors, as buyers must offer closer to or above the initial listing price.

The suburb of Penrith has historically been on par with the wider Penrith Local Government Area (LGA) in both house and unit median prices. This continued to be the case in 2022# with units in Penrith performing just under the LGA's median price.

The dominant proportion of homes sold in Penrith* across 2021/22^ were in the premium price bracket of \$950,000 and above (31.1%). Units on the other hand recorded a dominant middle-price point bracket of \$500,000 and \$599,999 (32.1%). Affordable options are still available, however with a growing premium market this has continued to decline in the past 18 months.

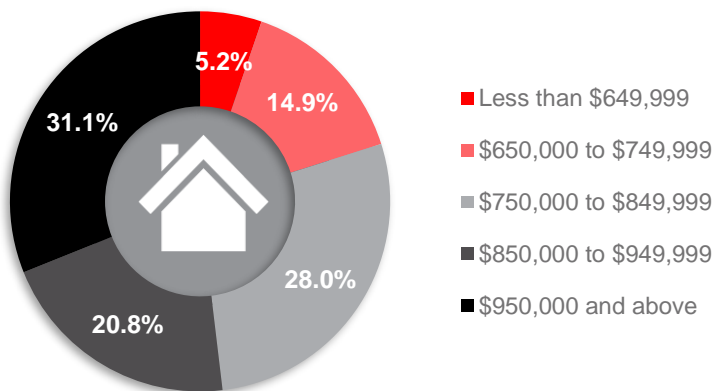
MARKET COMPARISON



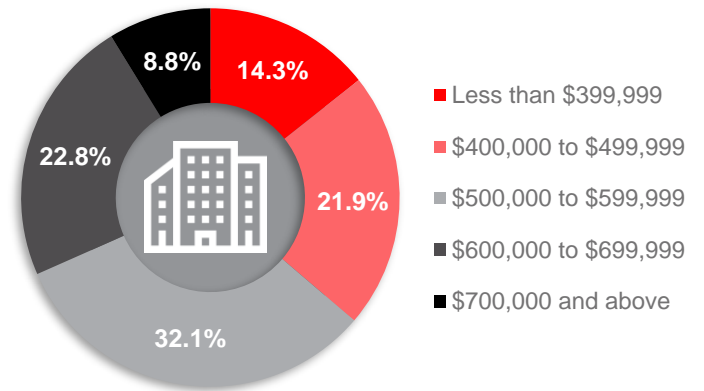
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Penrith.

PRICE BREAKDOWN 2021/22^

HOUSES SOLD



UNITS SOLD

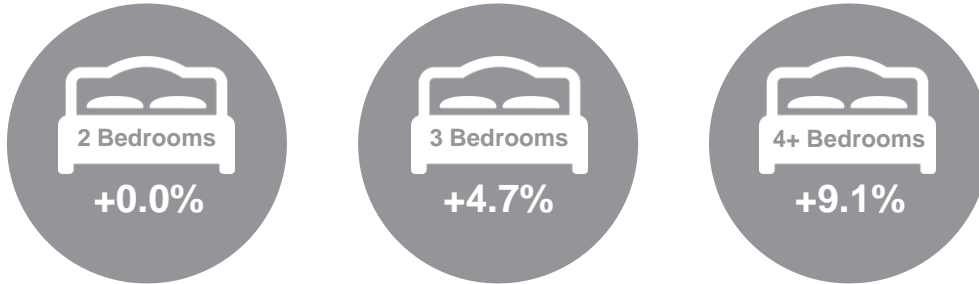


RENTAL GROWTH 2022€

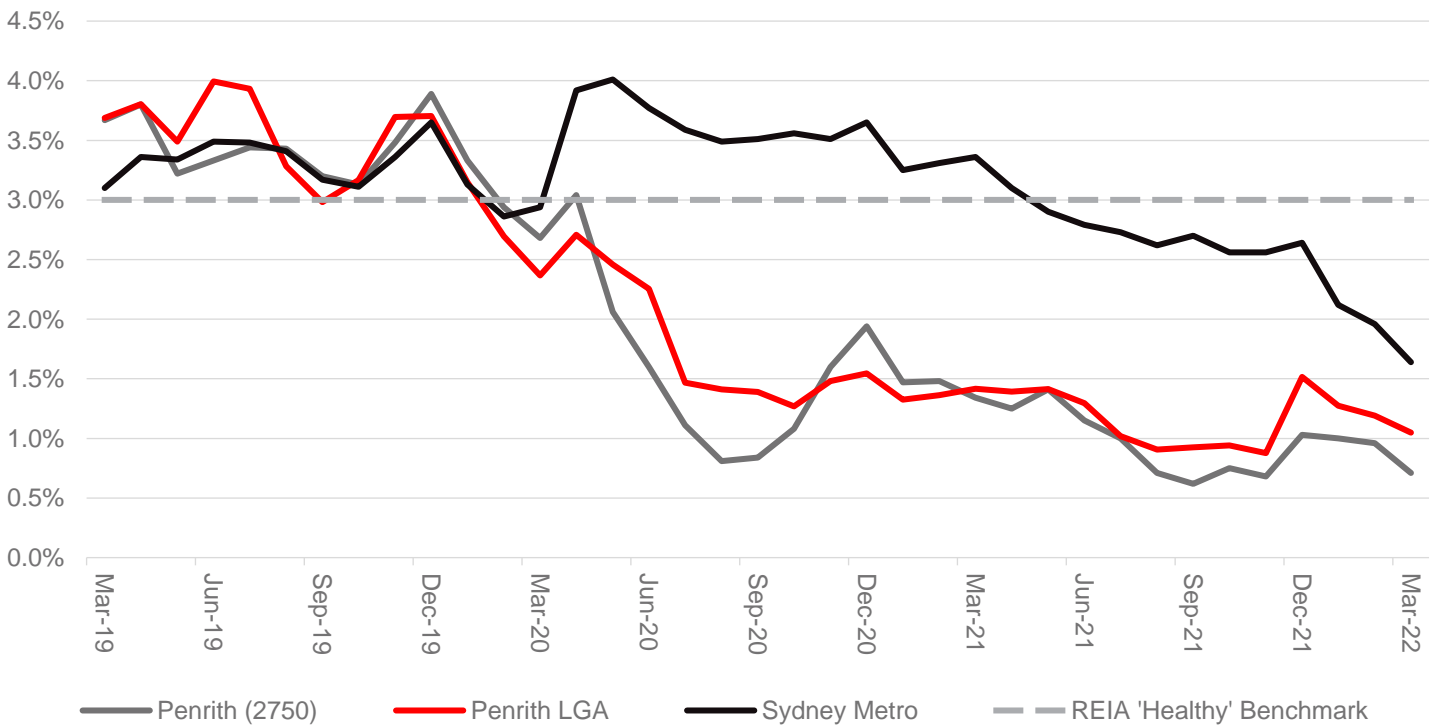
Over the past 12 months, house rental yields in Penrith[‡] softened to sit at 2.9% in March 2022; which is still above Sydney Metro (2.3%). This was paired with a 16.0% increase in median house rental price between Q1 2021 – Q1 2022, reflecting an undersupplied rental market as the number of houses rented declined by -6.1% (to 1158 rentals) during this time. This suggests that Penrith[‡] continue to be a more affordable and attractive investment alternative to Sydney Metro.

1 bedroom units have provided investors with +10.9% rental growth annually, achieving a median rent of \$335 per week.

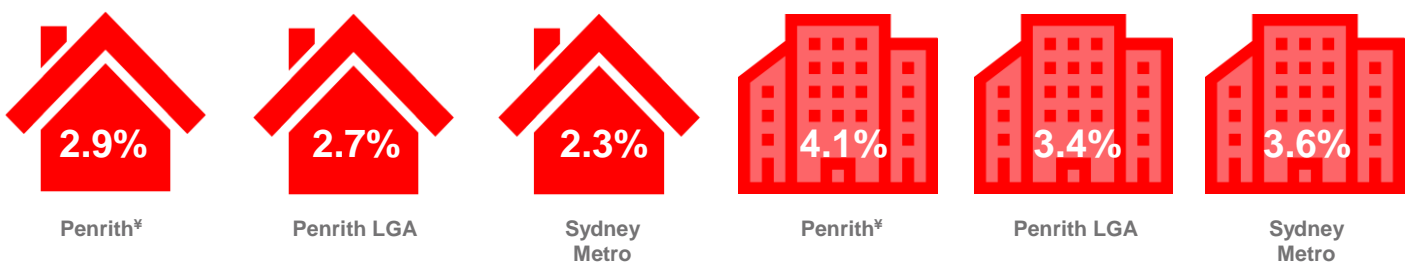
Penrith[‡] recorded a vacancy rate of 0.7% in March 2022, which is below Sydney Metro's 1.6% average. Vacancy rates in Penrith[‡] have decreased over the past 12 months, trending within the 1.0% rate for the past 6-8months. This indicates an increase in rental demand. These key indicators create a conducive and sustainable environment for investors, despite the current increase in median sale prices of property.



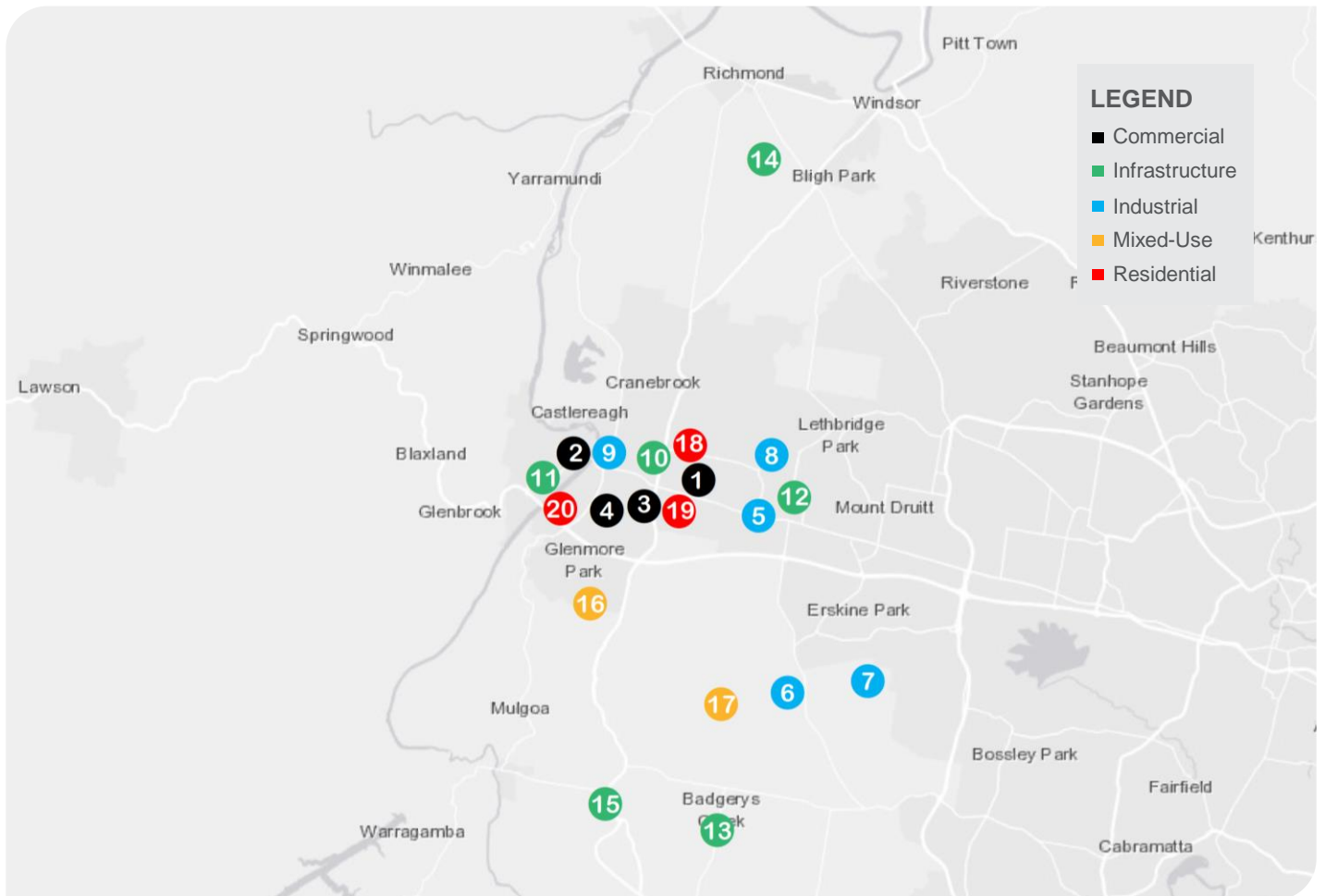
RENTAL VACANCY RATES 2022



RENTAL YIELD 2022§



TOP DEVELOPMENTS MAP 1st HALF 2022^A



Location	Project [£]	Type	Estimated Value ^µ	Commence Date ^ψ
1	Nepean Private Hospital Expansion	Commercial	\$29,913,000	21/02/2022
2	Westfield Penrith Shopping Centre	Commercial	\$9,080,000	07/02/2022
3	Fresh Hope Seniors Housing Development	Commercial	\$18,243,000	28/02/2022
4	Westfield Penrith Shopping Centre	Commercial	\$10,702,000	05/02/2022
5	Great Western Highway Industrial Units	Industrial	\$7,448,000	20/06/2022
6	Kemps Creek Warehouse & Logistics Hub - The Yards	Industrial	\$189,270,000	01/03/2022
7	Oakdale South Estate	Industrial	\$32,560,000	12/05/2022
8	Borg Manufacturing	Industrial	\$9,600,000	09/05/2022
9	Bunnings Penrith	Industrial	\$7,500,000	23/05/2022
10	Penrith City Park	Infrastructure	\$8,878,000	09/04/2022
11	Tench Reserve	Infrastructure	\$10,000,000	16/06/2022
12	Links Road & Christie Street Roadworks	Infrastructure	\$14,733,000	17/03/2022
13	Western Sydney International (Nancy-bird Walton) Airport	Infrastructure	\$20,000,000	04/04/2022
14	The Driftway Traffic Safety Improvements	Infrastructure	\$25,000,000	14/06/2022
15	M12 Motorway	Infrastructure	\$10,000,000	10/01/2022
16	Glenmore Park Village	Mixed-use	\$46,945,000	14/04/2022
17	Sydney Science Park - Penrith - Overall Project	Mixed-use	\$2,500,000,000	25/02/2022
18	Hope Street Apartments (51 Units)	Residential	\$15,764,000	13/06/2022
19	Lethbridge Street Apartments (43 Units)	Residential	\$9,240,000	15/06/2022
20	Nepean Rise (46 Units)	Residential	\$9,010,000	12/05/2022

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.



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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.

2022 encapsulates sales transactions for Q1 2022 (01/01/2022 – 31/03/2022) only.

^ 2021/22 encapsulates sales transactions for 2021 & Q1 2022 (01/01/2021 – 31/03/2022).

€ Annual rental growth is a comparison between 2021 (01/01/2021 – 31/03/2021) and 2022 (01/01/2022 – 31/03/2022) 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 2022.

⌘ 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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