

# Macquarie Park Market Update 2<sup>nd</sup> Half 2022



## OVERVIEW

In Q2 2022, Macquarie Park\* recorded a median house price of \$2,275,000 and a median unit price of \$798,000. This represents annual (Q2 2021 – Q2 2022) median price growth of 8.3% for houses and a price softening of -12.1% for units. Total sales declined between Q2 2021 – Q2 2022, by -35.2% (to 92 sales) for houses and by -59.6% (to 168 sales) for units. A two speed market is evident in Macquarie Park\*. The house market remains undersupplied, as median price growth is alongside lower sales. However the unit market saw a translation in cash rate hikes, with price growth and transactions slowing.

	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 Q2 2022



### SALES AVERAGE DAYS ON MARKET Q2 2022



### RENTAL MEDIAN PRICE Q2 2022

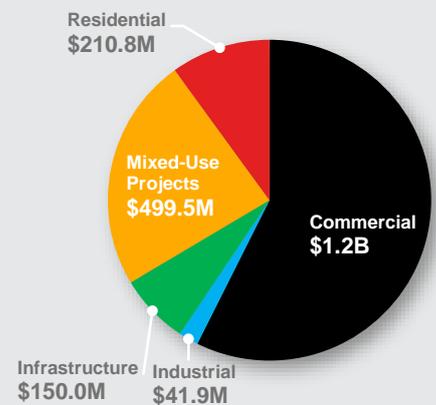


### RENTAL AVERAGE DAYS ON MARKET Q2 2022



## FUTURE DEVELOPMENTS

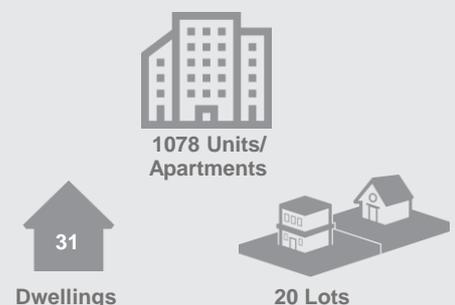
Macquarie Park is set to see approximately **\$2.1B** worth of new projects commencing in the 2<sup>nd</sup> half of 2022.



These projects will stimulate economic growth and create large employment opportunities in Macquarie Park. This will have an impact on the real estate market, in the form of

A main commercial project over the 2<sup>nd</sup> half of 2022 is the Macquarie Park Commerce Centre (\$334.8M). This development will bring 4 high rise commercial/retail buildings to Macquarie Park. The development will bring a gross floor area of 83,368sqm to the market.

A notable mixed-use development set to commence is the Talavera Road Mixed Use Development (\$327M, 216 apartments). Stage 1 of the development will bring a 27 storey mixed use development, adding 216 apartments to market. It is noted that stand-alone houses development is still limited, despite it being an undersupplied stock.



# 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.

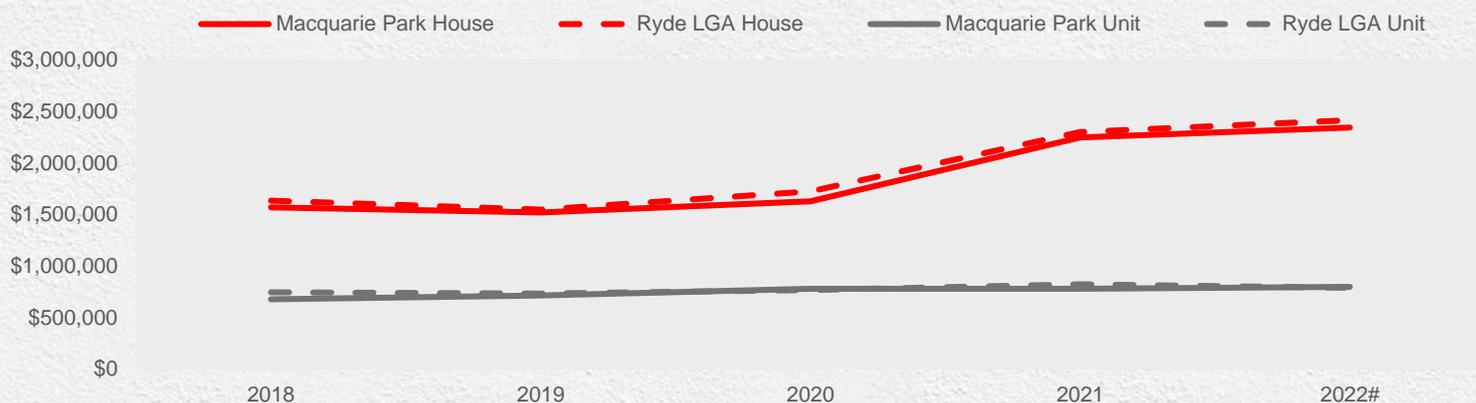


Average house vendor discount between Q2 2021 and Q2 2022 have remained at a high premium, of 8.5%. Average unit vendor discount have swung to a discount in Q2 2022, of -1.6% for units. House market conditions in Macquarie Park continue to heavily favour sellers, where buyers must pay large premiums above initial listing prices. Unit buyers now benefit from a discount.

The suburb of Macquarie Park has performed on par with the wider Ryde Local Government Area (LGA) in both house and unit median prices for the past five years. This continued to be the case in 2022#.

The dominant proportion of homes sold in Macquarie Park\* across 2022# were in the premium price bracket of above \$2,200,000 (55.4%). Units also recorded a dominant premium price point of above \$950,000 (36.0%). Affordable options are available, with a more even spread in the unit market. As the market has started to turn, more affordable options are expected to become available the next 18 months.

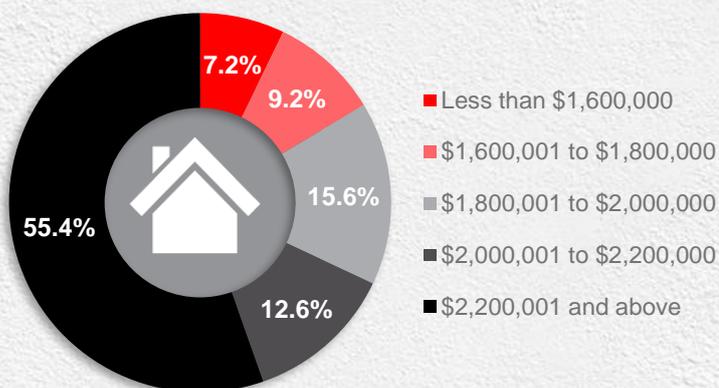
## MARKET COMPARISON



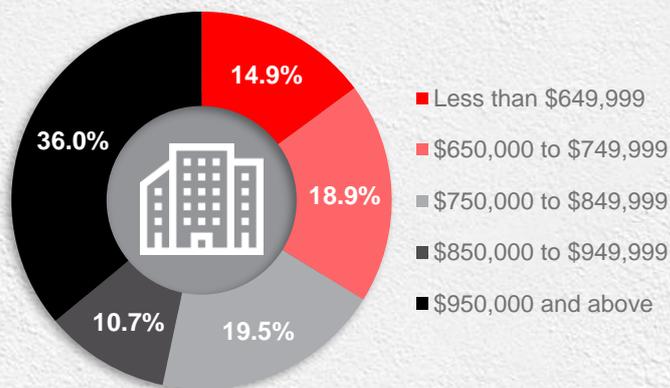
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Macquarie Park.

## PRICE BREAKDOWN 2022#

### HOUSES SOLD



### UNITS SOLD



## RENTAL GROWTH 2022€

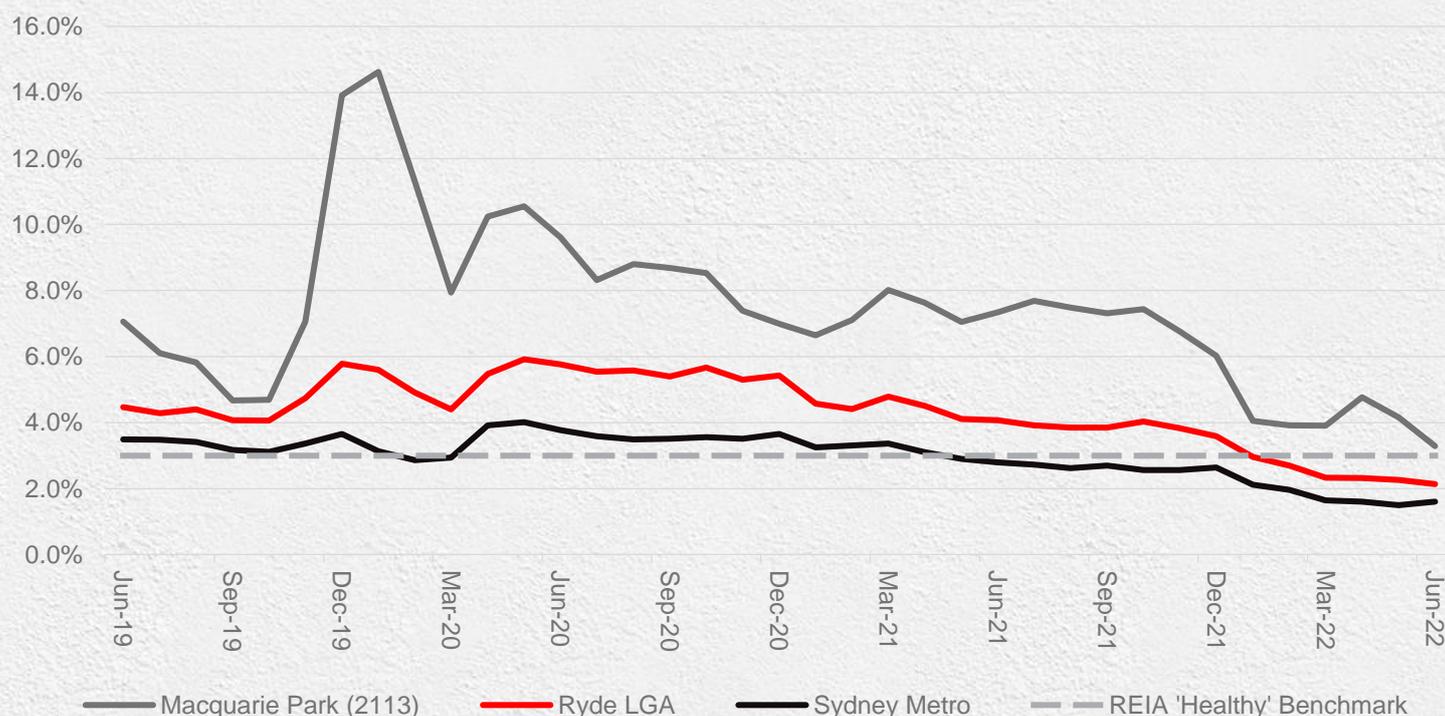
In June 2022, house rental yields in Macquarie Park (2113)\* were recorded at 2.4%. In the 12 months to Q2 2022, median house rental price increased by 25.0% to reach \$750 per week, while average days on the market declined by -22.2% (to 21 days). In a market dominated by units, the house rental market has performed strongly, due to an imbalance between supply and demand. This proves beneficial for investors, despite the increase in median house sale price in the past 12 months.

3+ bedroom houses have provided investors with +16.7% rental growth annually, achieving a median rent of \$750 per week.

Macquarie Park (2113)\* recorded a vacancy rate of 3.3% in June 2022, which is above Sydney Metro's 1.6% average. Vacancy rates in Macquarie Park\* have continued to decline over the past 12 months, and now are trending just above the Real Estate Institute of Australia's healthy benchmark of 3.0%. The downwards trend highlights the rental demand potential of Macquarie Park, whilst also prompting investors to hold tenants to longer –term leases for security of cashflow.



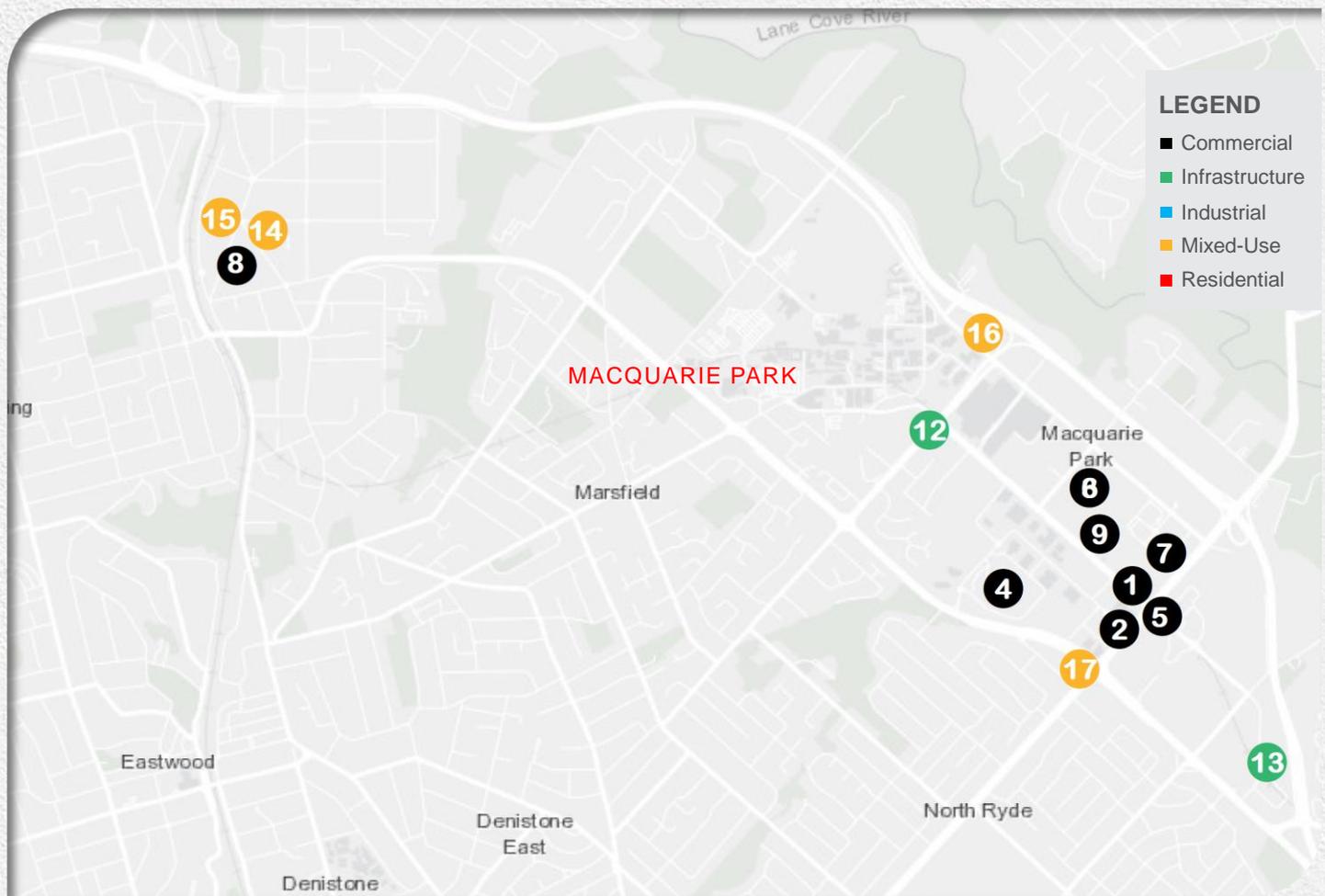
## RENTAL VACANCY RATES 2022



## RENTAL YIELD 2022\$



# TOP DEVELOPMENTS MAP 2<sup>nd</sup> HALF 2022<sup>Ⓐ</sup>



Location	Project <sup>£</sup>	Type	Estimated Value <sup>Ⓜ</sup>	Commence Date <sup>Ⓜ</sup>
1	Macquarie Park Commerce Centre - Mqx4	Commercial	\$334,840,000	13/08/2022
2	Lane Cove Road Serviced Apartments	Commercial	\$34,155,000	04/11/2022
3	Park At Macquarie Park	Commercial	\$52,140,000	18/08/2022
4	Optus Campus Macquarie Park	Commercial	\$30,000,000	14/07/2022
5	Central House (Building D) Macquarie Square	Commercial	\$92,417,000	23/11/2022
6	Park At Macquarie Park	Commercial	\$67,273,000	05/09/2022
7	Waterloo Road Commercial Building	Commercial	\$113,770,000	03/10/2022
8	Oxford & Cambridge Streets Aged Care Facility	Commercial	\$181,000,000	10/08/2022
9	Waterloo Road Commercial Buildings	Commercial	\$182,243,000	05/12/2022
10	Bringelly Road Business Hub	Commercial	\$100,000,000	05/09/2022
11	Bringelly Road Business Hub Lot 4 - Temperature Controlled Warehouse Facility	Industrial	\$41,851,000	09/12/2022
12	Macquarie University Station	Infrastructure	\$80,000,000	28/11/2022
13	Lachlan's Line Macquarie Park - Stage 2	Infrastructure	\$50,000,000	14/07/2022
14	Uniting Coombah Village (14 apartments)	Mixed-use	\$93,118,000	16/09/2022
15	Cambridge Street Shop Top Housing - Poly Horizon (84 apartments)	Mixed-use	\$45,915,000	18/08/2022
16	Talavera Road Mixed Use Development (216 apartments)	Mixed-use	\$327,836,000	18/08/2022
17	Epping Road, Lane Cove Road & Paul Street Mixed Use Development (77 units)	Mixed-use	\$32,632,000	02/10/2022
18	Ingleburn Road Units (97 units)	Residential	\$35,759,000	09/12/2022
19	Ingleburn Road Units (119 units)	Residential	\$31,000,000	01/09/2022
20	Ingleburn Road Units (95 units)	Residential	\$26,000,000	10/10/2022



## 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

\* 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.

# 2022 encapsulates sales transactions for 1H 2022 (01/01/2022 – 30/06/2022) only.

€ Annual rental growth is a comparison between 1H 2021 (01/01/2021 – 30/06/2021) and 1H 2022 (01/01/2022 – 30/06/2022) 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 June 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 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.

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