



> Affordable and Liveable Property Guide
Sydney Metro 2nd Half 2022

OVERVIEW

Median property prices in Sydney Metro decreased by -24.0% for houses at \$1,800,000 from Q3 2021 to Q3 2022*, and -8.9% for units at \$790,000. A declining price growth pattern was evident at the beginning of 2022, however this represents a significant swing in the market after two years of record-high growth. Current market conditions are mostly a reflection of interest rates and lower consumer sentiment starting to fully translate into the market. The Sydney market remains undersupplied, as between Q3 2021 and Q3 2022 total sales declined by -24.0% (to 4,075 sales) for houses and -26.9% (to 6,638 sales) for units. \$29.4B of projects are planned across the 2nd half of 2022, with a large focus on commercial and mixed-use projects. Future housing supply will be delivered by mixed-use and residential developments, most being units/apartments. The current cash rate environment lends an opportunity to create a fairer market for first home buyers.

RECENT TOP PERFORMERS

Area	Suburb	Type	Median Price 2021	Median Price 2022*	Price Growth	Projects 2022***
Inner	Darlinghurst	House	\$1,850,000	\$2,255,000	30.7%	\$97.2M
	Forest Lodge	Unit	\$886,750	\$1,320,00	48.9%	\$97.2M
North	Putney	House	\$2,840,000	\$3,140,000	20.1%	\$39.0M
	Chatswood	Unit	\$1001,000	\$1,150,000	14.9%	\$12.9M
South	Connells Point	House	\$1,655,000	\$2,250,000	36.0%	\$49.5M
	Sylvania	Unit	\$1,060,000	\$1,210,000	14.2%	\$8.92M
East	Rose Bay	House	\$3,200,000	\$4,650,000	45.3%	\$37.0M
	North Bondi	Unit	\$1,357,000	\$1,562,000	15.1%	\$74.4M
West	Five Dock	House	\$2,020,000	\$2,540,000	25.7%	\$18.7M
	Annandale	Unit	\$807,500	\$986,000	22.1%	\$18.5M

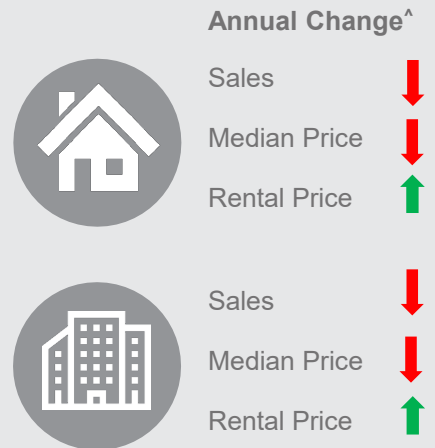
METHODOLOGY

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:

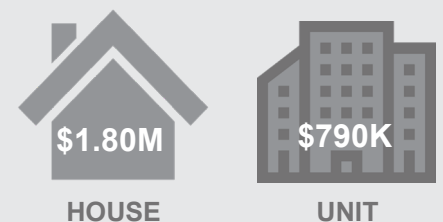
- Property trends criteria** – all suburbs have a minimum of 20 sales transactions for statistical reliability purposes. Based on market conditions, suburbs have either positive, or as close as possible to neutral price growth between 2021 and 2022*.
- Investment criteria** – as of September 2022, suburbs considered will have an on-par or higher rental yield than Sydney Metro, and an on-par or lower vacancy rate.
- Affordability criteria** – identified affordable and liveable suburbs have a median price below a set threshold. This was determined by adding percentage premiums to the New South Wales (NSW) average home loan, which was \$777,568** as of Q2 2022. Premiums of 85% for houses and -30.0% for units were added, which were below those required to reach Sydney Metro's median prices (131% for houses and 2% for units). This places the chosen suburbs below Sydney's median prices. Thus, the suburbs identified within this report are more affordable for buyers.
- Development criteria** – suburbs identified must have a high total estimated value of future project development for the 2nd 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, June Quarter 2022 release).

*Median price quoted captures sale transactions from 1st July 2022 to 30th September 2022, or Q3 2021 – Q3 2022. **Average home loan figure is derived from June Quarter 2022 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 2nd half of 2022 as stated by the relevant data authority. ^Annual Change is reflective of median price change from Q3 2021 to Q3 2022. Figures displayed in infographics are for the period Q3 2022. Source: APM Pricerfinder, REIA, SQM Research, Cordell Connect, Department of Jobs and Small Business. © PRD 2022.

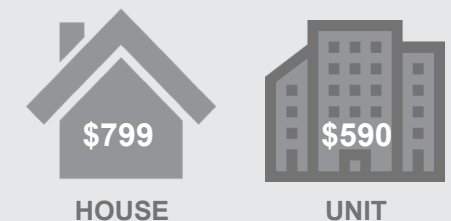
SYDNEY METRO



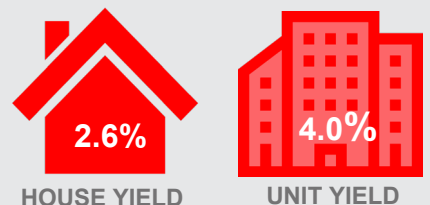
MEDIAN SALE PRICE



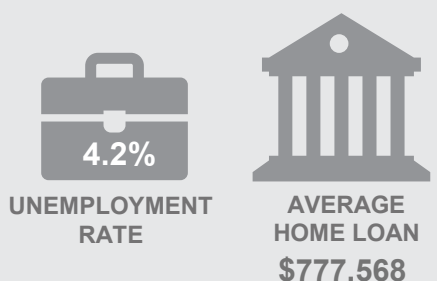
MEDIAN RENTAL PRICE



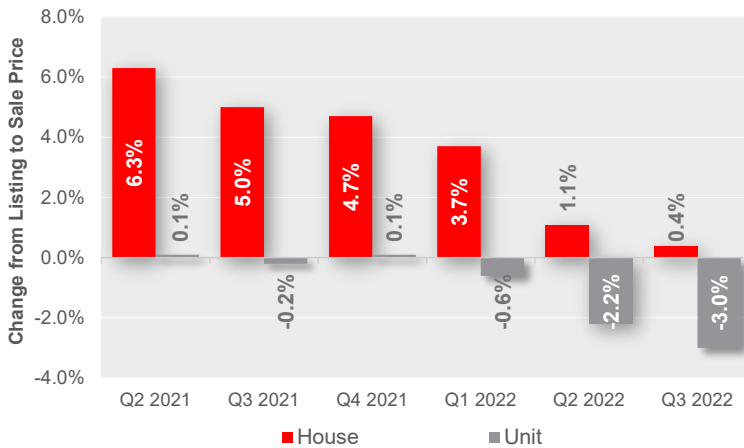
BENCHMARKS SYDNEY METRO



BENCHMARKS NEW SOUTH WALES



AVERAGE VENDOR DISCOUNT

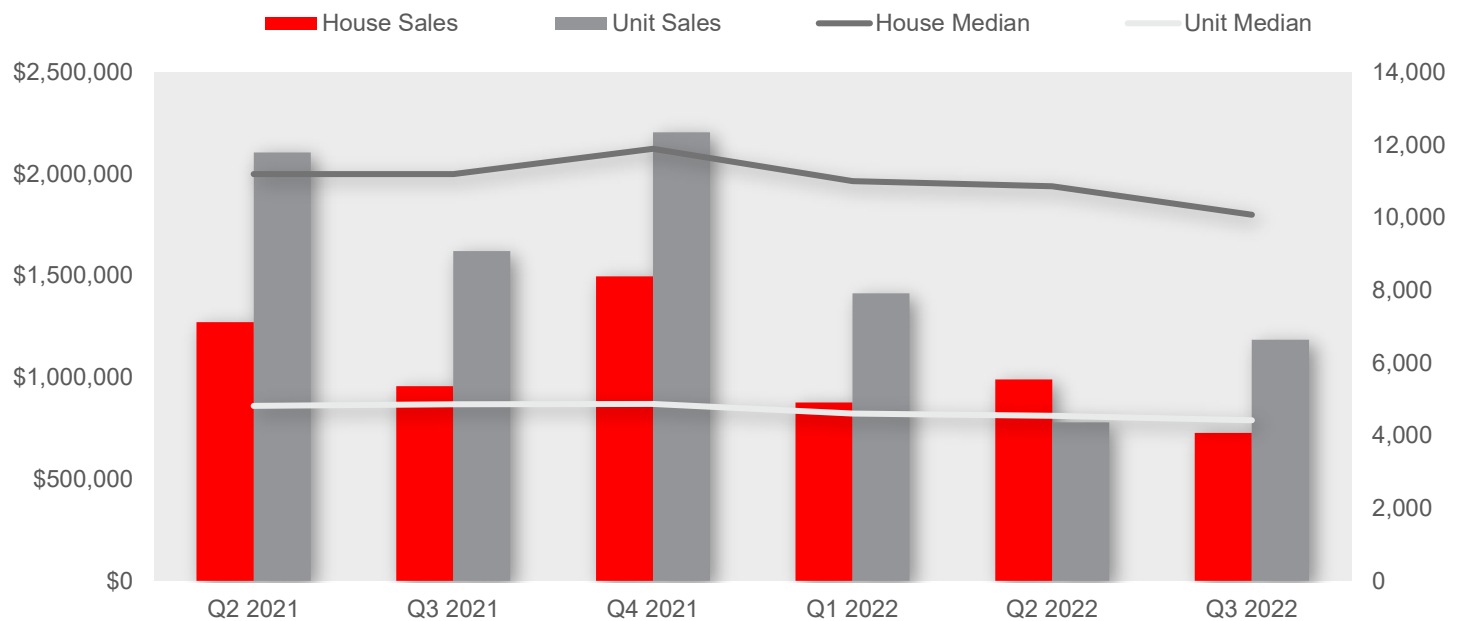


KEY COMMENTS

Average vendor discounts between Q3 2021 and Q3 2022 have trended to a lower premium of 0.4% for houses and a wider discount of -3.0% for units. Average vendor premiums have trended lower each quarter, as the average vendor discount has widened. Sydney Metro market conditions provide unique opportunities. House sellers can benefit from a final sale price that is above the first list price, but at a lower premium for buyers.

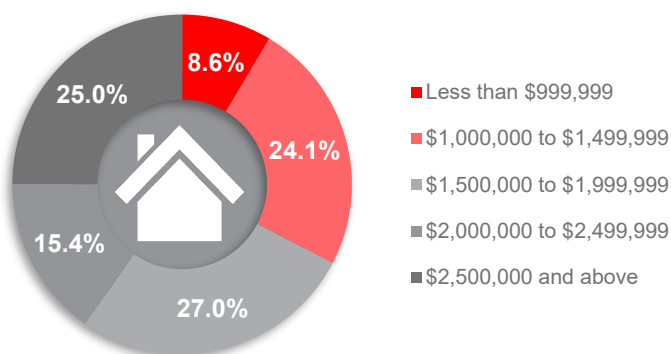
The dominant proportion of homes sold in Sydney Metro across 2022[#] were in the mid-price bracket of \$1,500,000 to \$1,900,000 (27.0%). Units also recorded a dominant lower price bracket of \$600,000 to \$800,000 (29.1%). Interestingly, there is almost equal opportunity in the premium and mid-market pricing for property types, thus creating a wider net for first home buyers.

MARKET PERFORMANCE

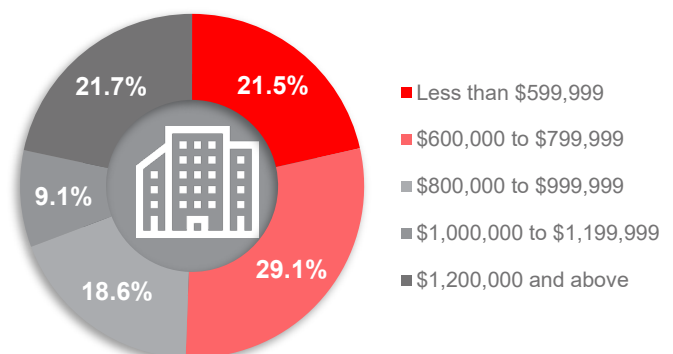


PRICE BREAKDOWN 2022[#]

HOUSES SOLD

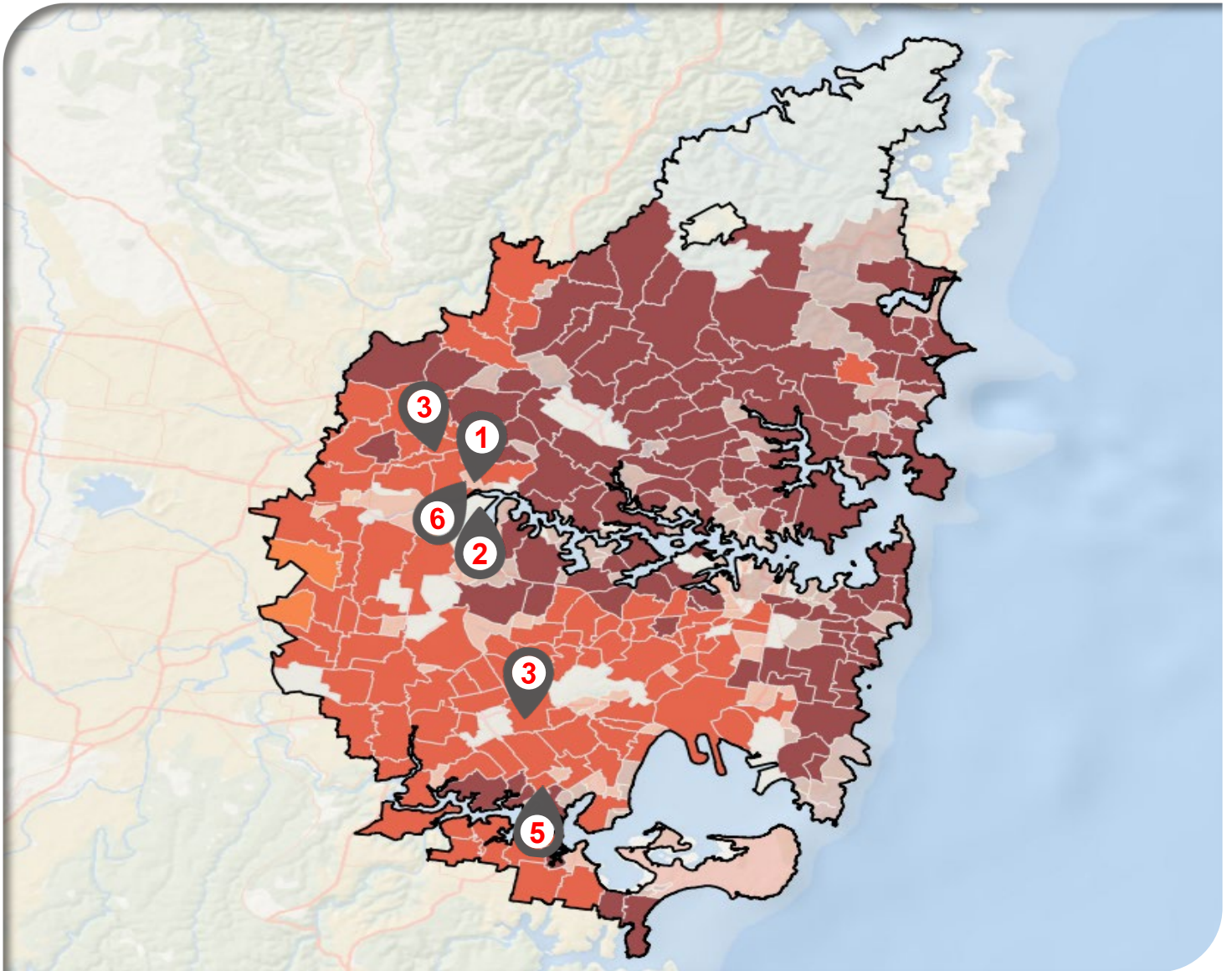


UNITS SOLD



SYDNEY METRO MEDIAN HOUSE PRICE 2022*

20KM FROM CBD



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

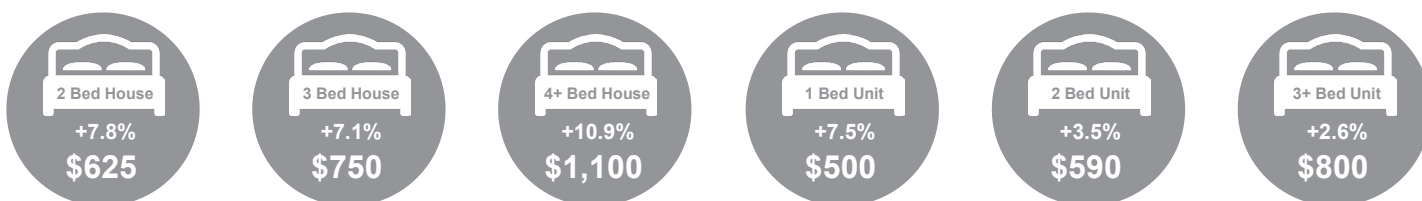
	Suburb	House		Suburb	Unit
1	Parramatta	3.5%	4	Harris Park	4.5%
2	Banksia	2.3%	5	Riverwood	4.4%
3	Peakhurst	2.4%	6	Paramatta	4.5%

RENTAL GROWTH 2022[€]

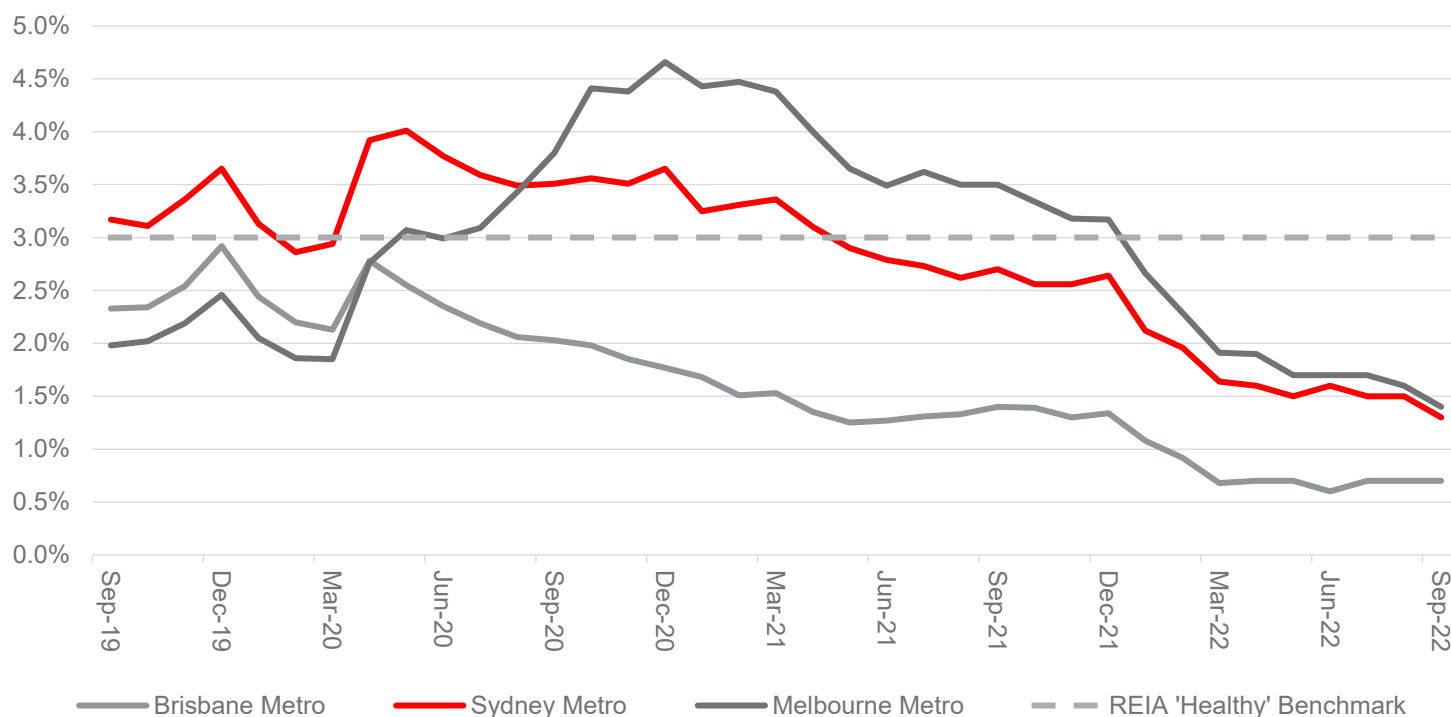
In September 2022, house rental yields in Sydney Metro were recorded at 2.6%. In the 12 months to Q3 2022, the median house rental price increased by 28.9% to \$799 per week, further complemented with a low average days on the market of 23 days. The house rental market has continued to show strong growth, which is now more attractive for investment due to the median house price downturn on a quarter-by-quarter basis.

Four+ bedroom houses recorded the highest annual rental growth (of +10.9%), reaching \$1,100 per week. All types of properties have recorded positive rental growth in the past 12 months due to a supply shortage.

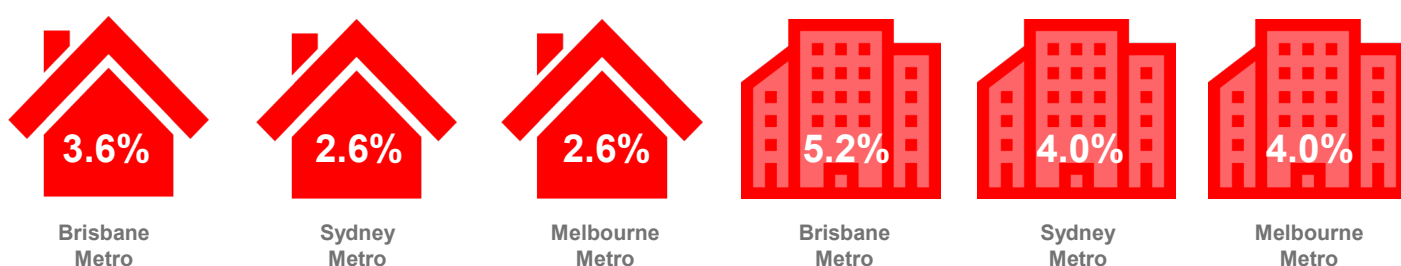
In September 2022, Sydney Metro recorded a low vacancy rate of 1.3%, which is slightly below Melbourne Metro (1.4%) but well above that of Brisbane Metro (0.7%). Vacancy rates in Sydney Metro remained well below the Real Estate Institute of Australia's healthy benchmark of 3.0%. Sydney Metro's vacancy rate continues to show a declining trend since December 2019, showcasing historically low trends in the past 24 months. This indicates quicker rental occupancy and security in income cash flow. With the return of international migration into Sydney Metro, now is the time to invest.



RENTAL VACANCY RATES 2022



RENTAL YIELD 2022^{\$}



[€] Annual rental growth is a comparison between Q3 2021 – Q3 2022 (01/07/2021 – 30/09/2022) house median rent figures.

^{\$} Rental yields shown are as reported at September 2022.

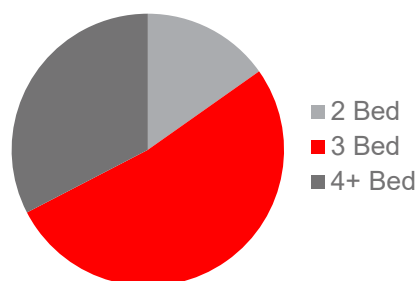
Source: APM Pricerfinder, SQM Research. © Copyright PRD 2022.

PROPERTY CLOCK - HOUSES



AFFORDABLE & LIVEABLE HOUSE SUBURBS

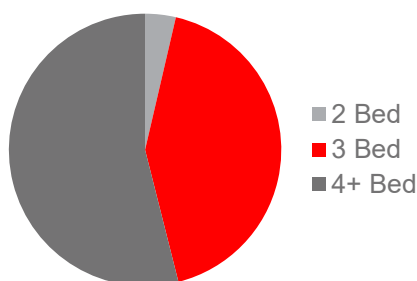
PARRAMATTA 2150



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

Median House Price **\$1,425,000**
 • 2 Bed Median Price **\$1,802,750***
 • 3 Bed Median Price **\$1,340,000**
 • 4+ Bed Median Price **\$1,580,700**

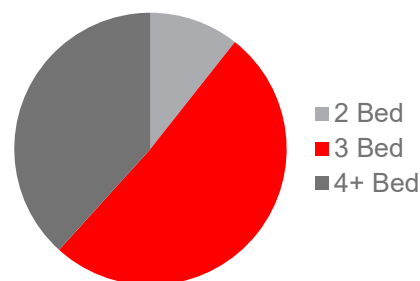
PEAKHURST 2210



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

Median House Price **\$1,443,000**
 • 2 Bed Median Price **\$1,134,000***
 • 3 Bed Median Price **\$1,350,500**
 • 4+ Bed Median Price **\$1,500,000**

BANKSIA 2216



Located about **16.3km** from the Sydney CBD.

Median House Price **\$1,475,500**
 • 2 Bed Median Price **\$1,190,000***
 • 3 Bed Median Price **\$1,473,350**
 • 4+ Bed Median Price **\$1,637,500**

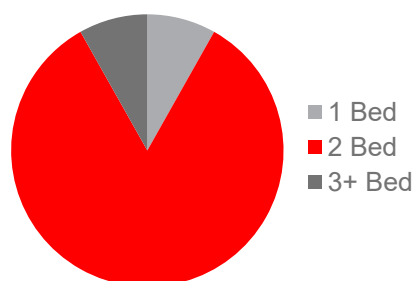
Annual Median Price Growth	4.7%**	Annual Median Price Growth	1.2%**	Annual Median Price Growth	1.8%**
Vacancy Rate (Sep-22)	1.1%	Vacancy Rate (Sep-22)	0.9%	Vacancy Rate (Sep-22)	1.1%
Rental Yield (Sep-22)	3.5%	Rental Yield (Sep-22)	2.3%	Rental Yield (Sep-22)	2.4%
Key Amenity (5km)	Westfield Parramatta Shopping Centre	Key Amenity (5km)	Hurstville Private Hospital	Key Amenity (5km)	Rockdale Plaza
Total Projects (\$)	\$307.8M^	Total Projects (\$)	\$57.6M^	Total Projects (\$)	\$191.7M^
Key Project	Arthur Street Units (\$17.2M, 64 Apartments)	Key Project	LAHC Community Housing Redevelopment (\$40.0M)	Key Project	Princes Highway Mixed Use Development (\$17.2M, 43 Units)
Unemployment Rate	3.9%	Unemployment Rate	4.0%	Unemployment Rate	3.9%

PROPERTY CLOCK - UNITS



AFFORDABLE & LIVEABLE UNIT SUBURBS

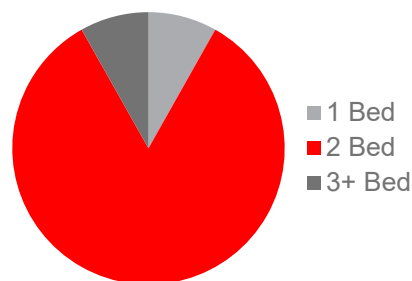
HARRIS PARK 2150



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

Median Unit Price **\$452,500**
 • 1 Bed Median Price **\$372,500**
 • 2 Bed Median Price **\$436,750***
 • 3+ Bed Median Price **\$655,000***

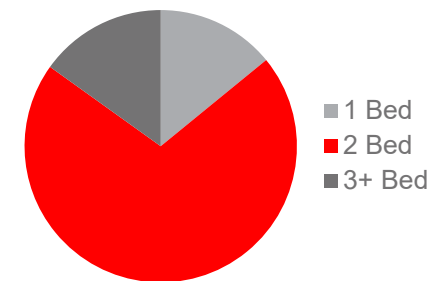
RIVERWOOD 2210



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

Median Unit Price **\$599,000**
 • 1 Bed Median Price **\$460,000***
 • 2 Bed Median Price **\$568,000**
 • 3+ Bed Median Price **\$750,000**

PARRAMATTA 2150



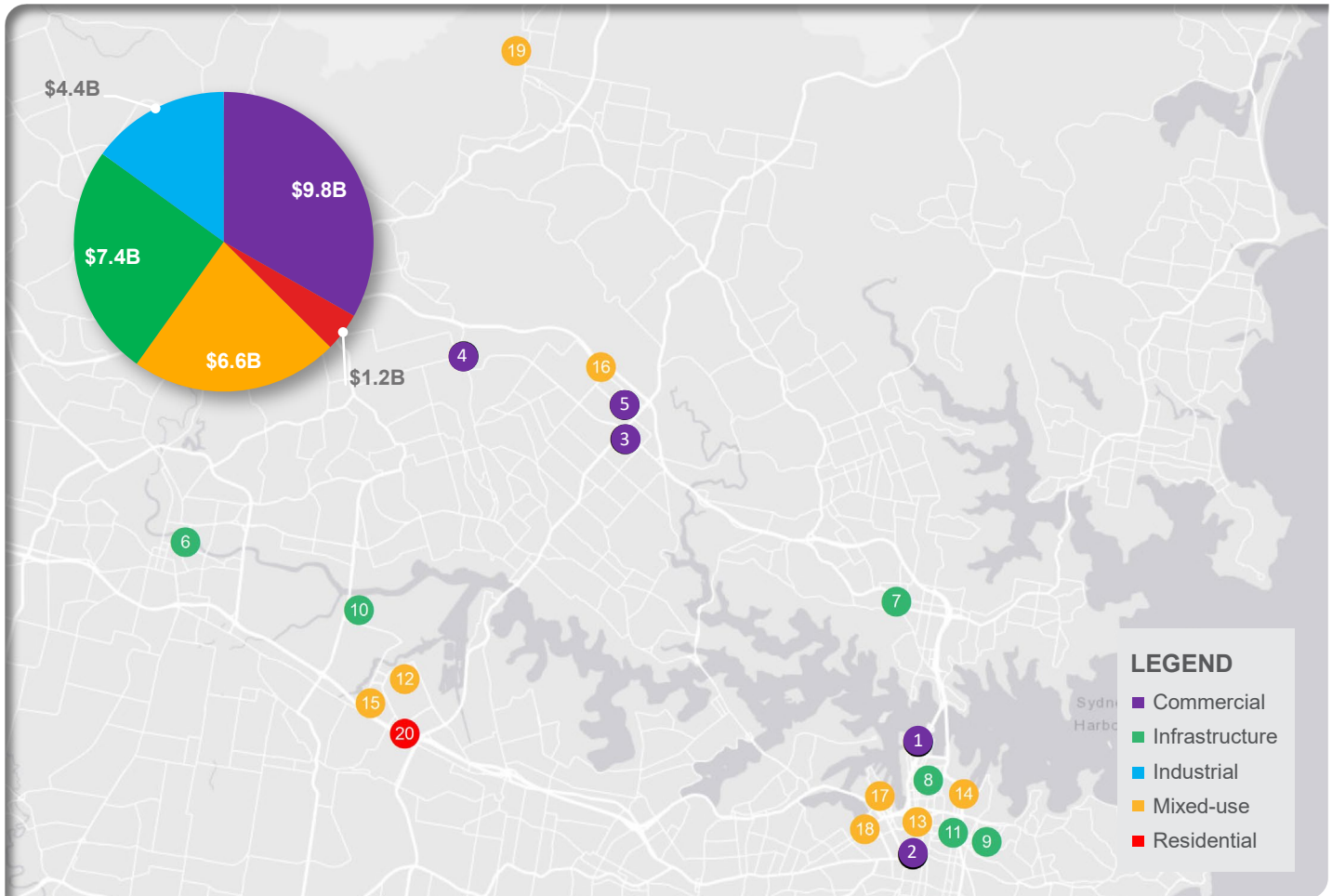
Located about **20.0km** from the Sydney CBD.

Median Unit Price **\$600,000**
 • 1 Bed Median Price **\$437,500***
 • 2 Bed Median Price **\$599,500**
 • 3+ Bed Median Price **\$775,000**

Annual Median Price Growth	5.7%**	Annual Median Price Growth	3.3%**	Annual Median Price Growth	1.7%**
Vacancy Rate (Sep-22)	1.1%	Vacancy Rate (Sep-22)	0.9%	Vacancy Rate (Sep-22)	1.1%
Rental Yield (Sep-22)	4.5%	Rental Yield (Sep-22)	4.4%	Rental Yield (Sep-22)	4.5%
Key Amenities (5km)	Westfield Parramatta Shopping Centre	Key Amenities (5km)	Riverwood Plaza	Key Amenities (5km)	Westfield Parramatta Shopping Centre
Total Projects (\$)	\$307.8M^	Total Projects (\$)	\$57.6M^	Total Projects (\$)	\$307.8M^
Key Project	Valentine Avenue Commercial Development (\$138.5M)	Key Project	LAHC Community Housing Redevelopment (\$40.0M)	Key Project	LAHC Parramatta (\$7.9M, 22 Apartments)
Unemployment Rate	4.0%	Unemployment Rate	4.0%	Unemployment Rate	4.0%

PROJECT DEVELOPMENT MAP

2nd HALF 2022*



Location	Project [£]	Type	Estimated Value ^µ	Suburb
1	Pitt & Underwood Streets Commercial Building Mirvac Group	Commercial	\$602,196,000	Sydney
2	Railway Square Mixed Use Development - Atlassian Central	Commercial	\$546,066,000	Haymarket
3	Macquarie Park Commerce Centre - Mqx4	Commercial	\$334,840,000	Macquarie Park
4	Oxford & Cambridge Streets Aged Care Facility	Commercial	\$181,000,000	Epping
5	Waterloo Road Commercial Buildings	Commercial	\$182,243,000	Macquarie Park
6	Powerhouse Parramatta	Infrastructure	\$553,000,000	Parramatta
7	Crows Nest Integrated Station Development	Infrastructure	\$177,000,000	Crows Nest
8	Sydney Metro City & Southwest - Pitt Street Integrated Station Development	Infrastructure	\$463,000,000	Sydney
9	Nsw Department Of Communities & Justice - Core & Cluster Facilities	Infrastructure	\$426,600,000	Sydney
10	Tonsley Park Redevelopment Residential Precinct Parcel A	Infrastructure	\$350,000,000	Clovelly Park
11	Sydney Metro Pitt Street (North) Over Station Development	Infrastructure	\$281,959,000	Sydney
12	Uhrig Road Mixed Use Development - Vivacity Stage 2 (579 Apartments, 4 townhouses)	Mixed-use	\$177,540,000	Lidcombe
13	City Tattersalls Club (241 apartments)	Mixed-use	\$308,070,000	Sydney
14	Market Street Mixed Development - The Atrium (101 apartments)	Mixed-use	\$295,900,000	Sydney
15	Ymci Homebush City Garden - Zone 3 - Ovation Quarter (417 units)	Mixed-use	\$172,744,000	Lidcombe
16	Talavera Road Mixed Use Development (216 apartments)	Mixed-use	\$327,836,000	Macquarie Park
17	The Star - Sydney Tower Development - Ritz-carlton (204 units)	Mixed-use	\$500,000,000	Pymont
18	Wattle Street Mixed Use Buildings - Wattle, Jones & Fig (250 units)	Mixed-use	\$221,892,000	Pymont
19	Hornsby West Development (249 apartments)	Mixed-use	\$170,629,000	Hornsby
20	Birnie Avenue Apartments (419 apartments)	Residential	\$174,620,000	Lidcombe

* 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.
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ABOUT PRD RESEARCH

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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.

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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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T +61 7 3229 3344

E research@prd.com.au

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