

PRD.  REAL ESTATE



Affordable & Liveable Property Guide
Sydney Metro 1st Half 2023

OVERVIEW

Median property prices in Sydney Metro softened by -15.6% for houses to \$1,890,000 from Q1 2022 to Q1 2023, and by -6.9% for units at \$795,000. However, on a quarterly basis (Q4 2022 – Q1 2023) they softened by a lower rate for both property types, of -3.6% for houses and -1.9% for units. Thus, although interest rate hikes did translate into the house market, confidence has started to return. Between Q1 2022 and Q1 2023, total sales declined by -24.8% (to 3,204 sales) for houses and by -16.8% (to 6,075 sales) for units. An undersupply in both markets is evident, as prices have started to turn despite cash rate hikes. For those seeking a more affordable property market, time is of the essence. A total of \$6.5B of projects are planned across the 1st half of 2023, with a focus on commercial and infrastructure projects. Future housing supply will be delivered by multiple mixed-use and residential developments, however, most of it is units/apartments. Thus, the ready-to-sell house market remains undersupplied, which suggests a temporary downturn in prices.

RECENT TOP PERFORMERS

Area	Suburb	Type	Median Price 2021	Median Price 2022/23*	Price Growth	Projects 2023***
Inner	Glebe	House	\$1,990,000	\$2,487,500	25.0%	\$10.8M
	Alexandria	Unit	\$505,000	\$841,500	66.6%	\$72.3M
North	Gordon	House	\$2,980,000	\$3,556,000	19.3%	\$11.6M
	Chatswood	Unit	\$845,000	\$1,075,000	27.2%	\$12.7M
South	Cronulla	House	\$2,492,500	\$3,190,000	28.0%	\$49.2M
	Caringbah	Unit	\$735,000	\$772,000	5.0%	\$56.5M
East	Bondi Beach	House	\$3,350,000	\$3,760,000	12.2%	\$42.9M
	Double Bay	Unit	\$1,447,750	\$1,918,000	32.5%	\$81.3M
West	Strathfield	House	\$3,150,000	\$3,640,000	15.6%	\$7.3M
	Burwood	Unit	\$607,500	\$850,000	39.9%	\$117.6M

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 2022/23*.
- **Investment criteria** – as of March 2023, 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 \$720,526** as of Q4 2022. Premiums of 32% for houses and a discount of -16% for units were added, which were below the premiums required to reach Sydney Metro's median prices (152% for houses and 6% for units). This places the chosen suburbs below Sydney Metro's median prices. Thus, they 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 2023, 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 New South Wales average (as determined by the Department of Jobs and Small Business, December Quarter of 2022 release).

*Median price quoted captures sale transactions from 1st January 2021 to 31st March 2023, or Q1 2021 – Q1 2023. **Average home loan figure is derived from December 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 1st half of 2023 as stated by the relevant data authority. *Annual Change is reflective of median price change from Q1 2022 to Q1 2023. Figures displayed in infographics are for the period Q1 2023. Source: APM Pricefinder, REIA, SQM Research, Cordell Connect, Department of Jobs and Small Business. © PRD 2023.

PRD.

SYDNEY METRO

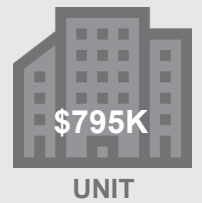
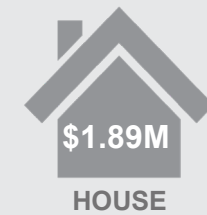


Sales ↓
Median Price ↓
Rental Price ↑

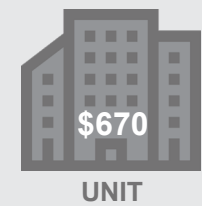


Sales ↓
Median Price ↓
Rental Price ↑

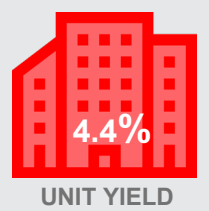
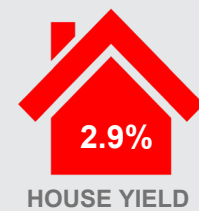
MEDIAN SALE PRICE



MEDIAN RENTAL PRICE



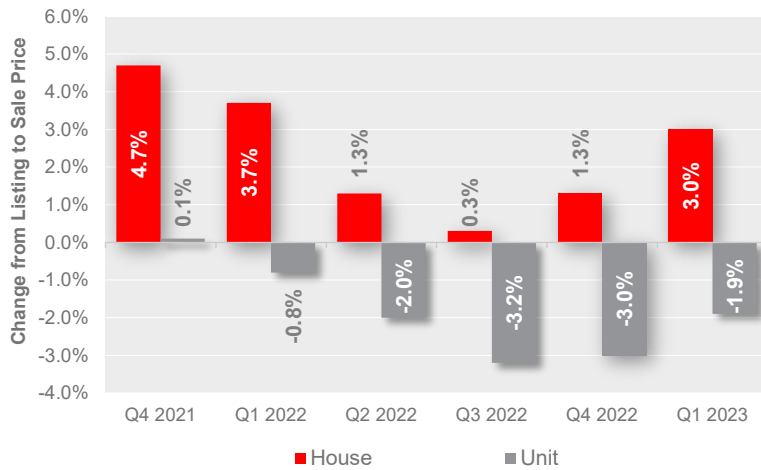
BENCHMARKS SYDNEY METRO



BENCHMARKS NEW SOUTH WALES



AVERAGE VENDOR DISCOUNT

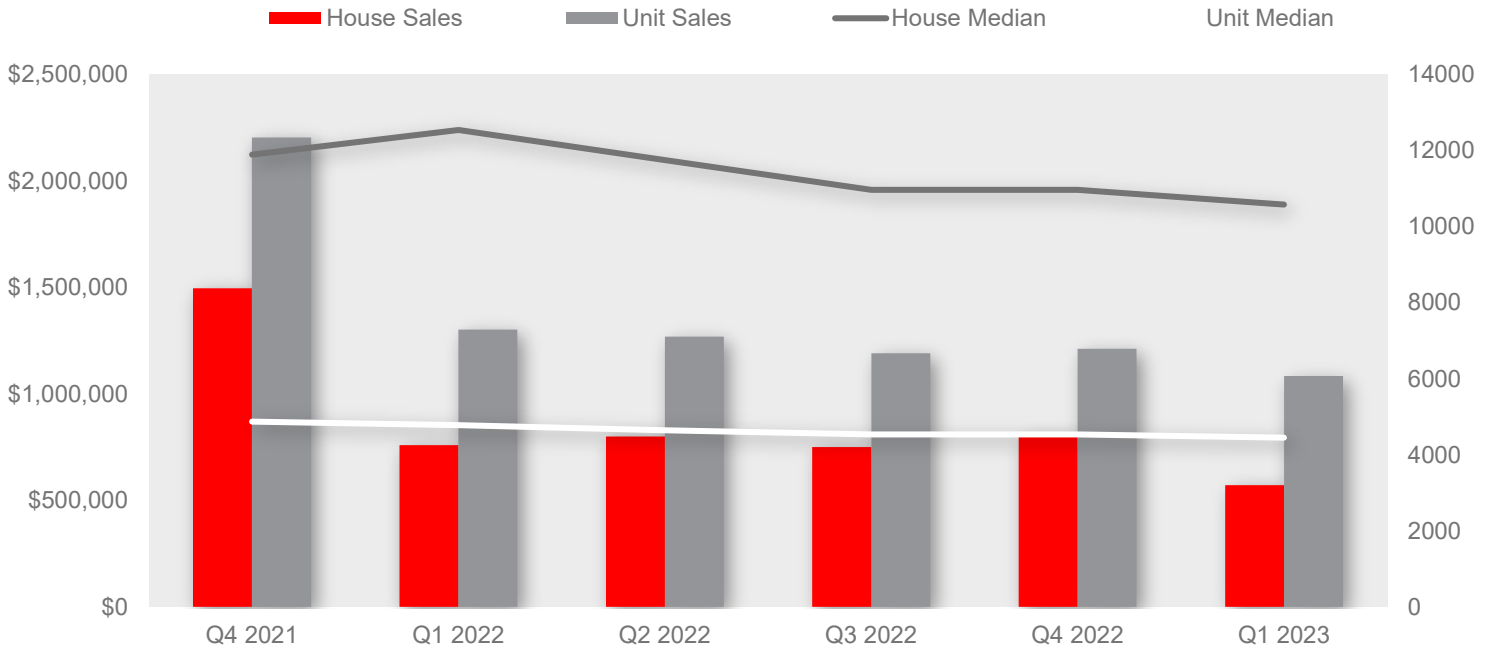


KEY COMMENTS

Average vendor discounts between Q1 2022 and Q1 2023 have trended to a lower premium of 3.0% for houses and a wider discount of -1.9% for units. House sellers can benefit from a final sale price that is above the first list price but at a lower premium for buyers. That said, the average house premium for Q1 2023 is higher than Q4 2022, thus confidence has started to return. Unit buyers can still benefit from a discount, but similar to the house market, time is limited.

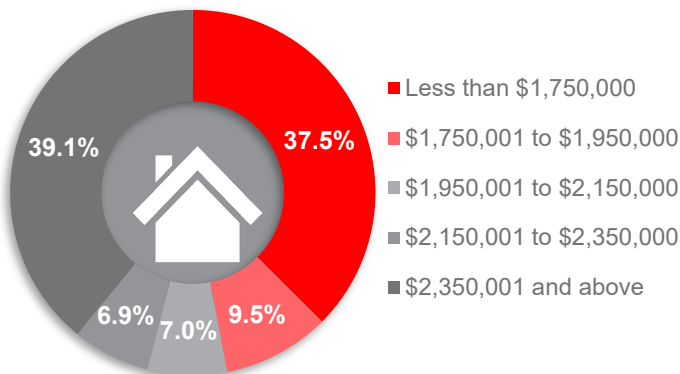
The dominant proportion of homes sold in Sydney Metro across 2022/23# were in the premium price point of above \$2,350,000 (39.1%). In contrast, units had a dominant more affordable price of \$550,000 to \$750,000 (27.4%). Interestingly, there is almost equal opportunity in the premium and lower price for both property types, thus creating a wider net for potential first home buyers.

MARKET PERFORMANCE

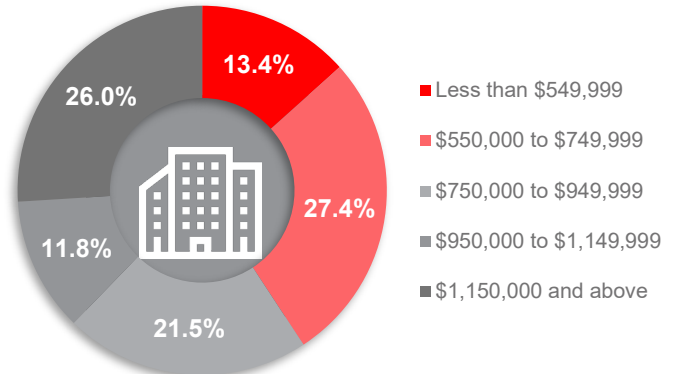


PRICE BREAKDOWN 2022/23#

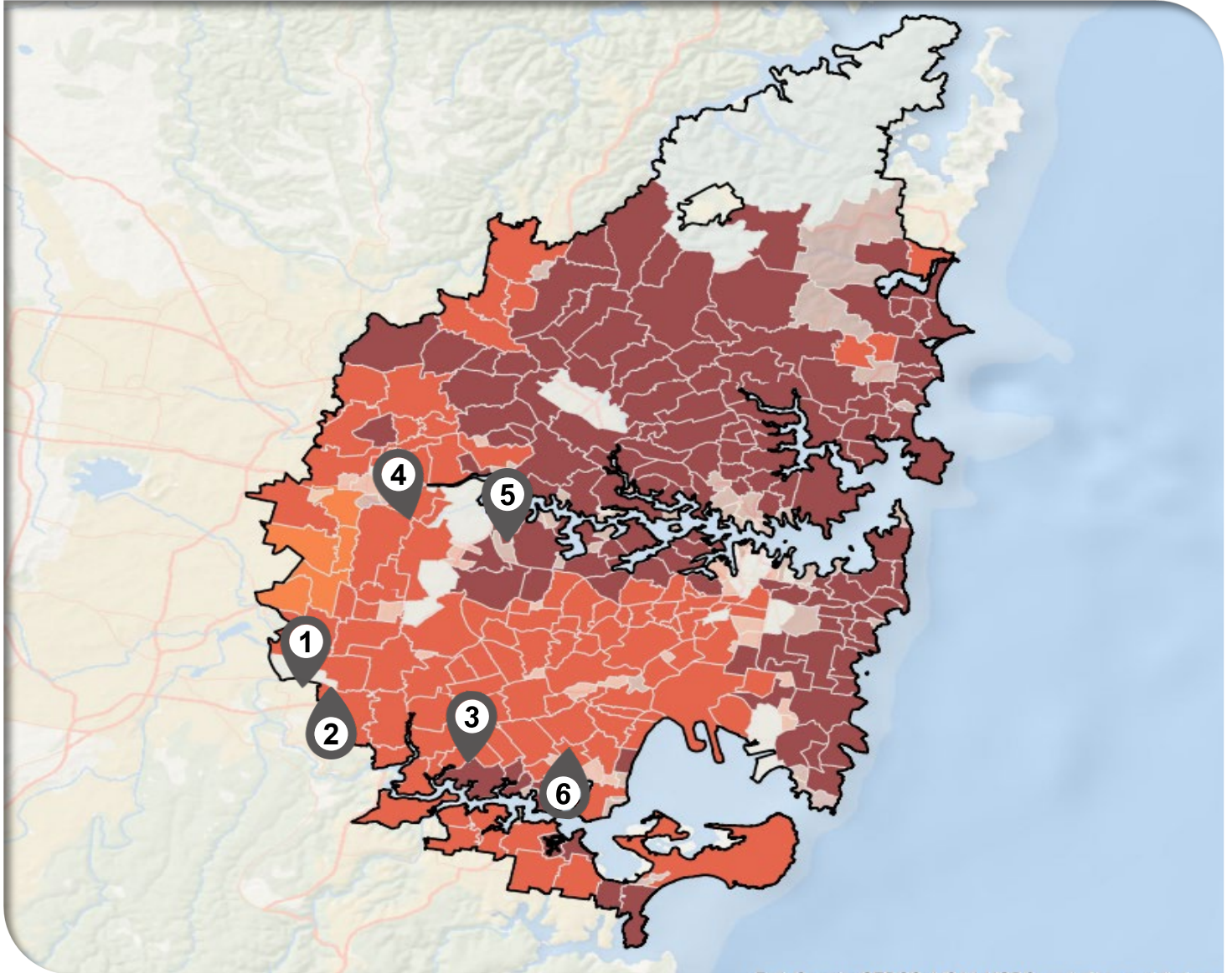
HOUSES SOLD



UNITS SOLD



SYDNEY METRO MEDIAN HOUSE PRICE 2022/23* 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	Villawood	3.0%	4	Telopea	5.0%
2	Chester Hill	3.3%	5	West Ryde	4.5%
3	Wiley Park	3.0%	6	Canterbury	5.8%

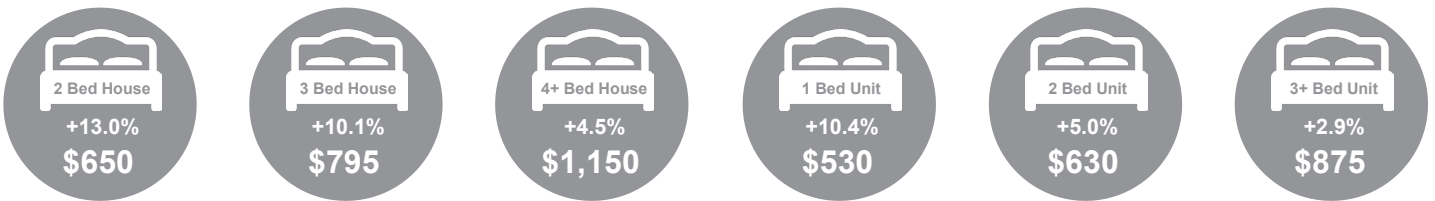
*House median price reflected in the heat-map captures sale transactions from 1st January 2022 to 31st March 2023.
Source: APM Pricefinder, ESRI ArcGIS, SQM Research. © PRD 2023.

RENTAL GROWTH 2023€

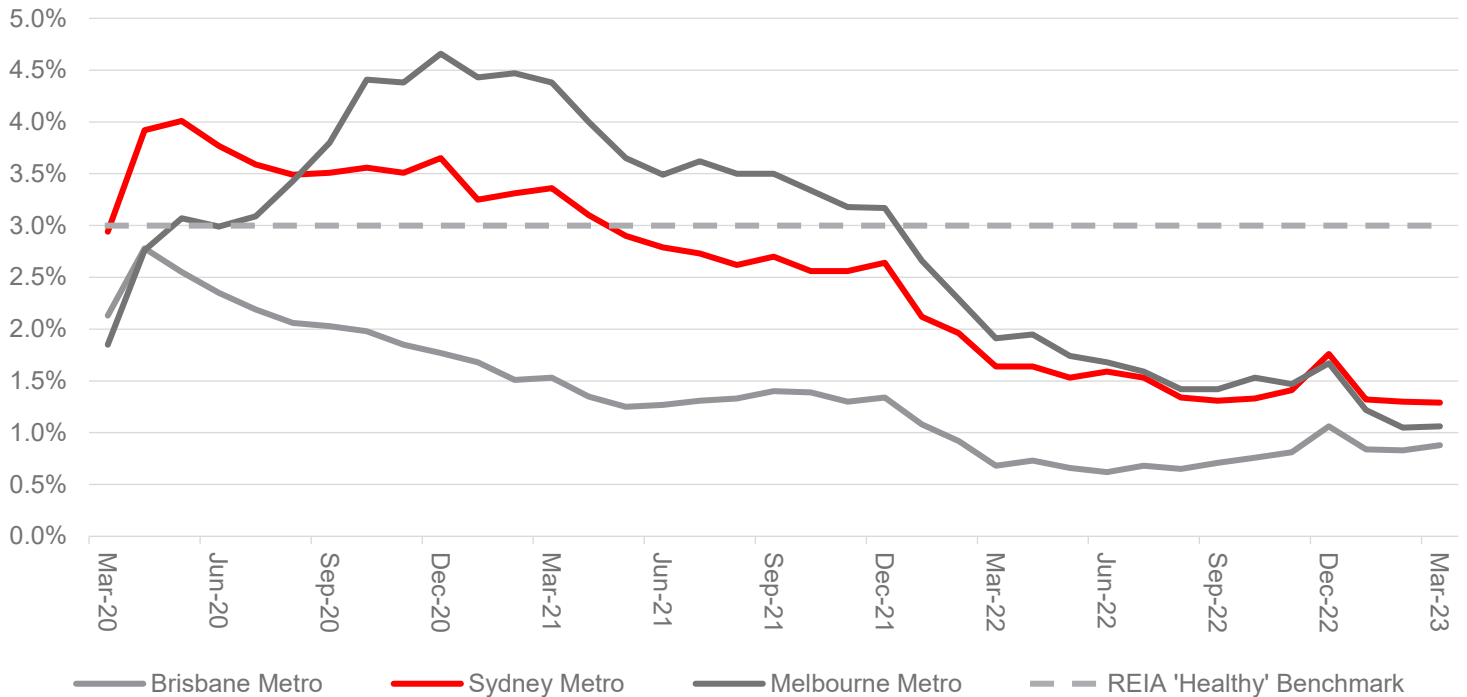
House rental yields in Sydney Metro were 2.9% in March 2023, on par with Melbourne Metro. In the 12 months to Q1 2023, the median house rental price increased by 20.0% to \$900 per week, further complemented with a low average days on the market (22 days). The house rental market has continued to show strong growth, which is now even more attractive for investment due to the median house price downturn in the past 12 months.

Two bedroom houses recorded the highest annual rental growth (of +13.0%) to reach \$650 per week. All types of properties have recorded positive rental growth in the past 12 months due to an undersupplied rental market.

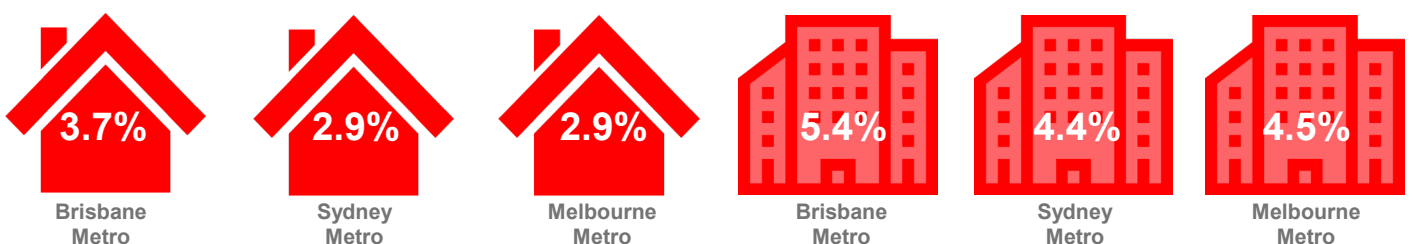
In March 2023, Sydney Metro recorded a low vacancy rate of 1.3%, which is slightly above Melbourne Metro (1.1%) and Brisbane Metro (0.9%). That said, vacancy rates in Sydney Metro remained well below the Real Estate Institute of Australia's healthy benchmark of 3.0%, and have continued to show a declining trend post-COVID-19. This indicates quicker rental occupancy and security in income cash flow. A 1.3% vacancy rate is considered to be a historical low for Sydney Metro to date, and with interstate and international migration returning, now is the time to invest.



RENTAL VACANCY RATES 2023



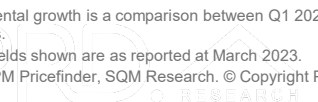
RENTAL YIELD 2023§



€ Annual rental growth is a comparison between Q1 2022 (01/01/2022 – 31/03/2022) – Q1 2023 (01/01/2023 – 31/03/2023) house median rent figures.

§ Rental yields shown are as reported at March 2023.

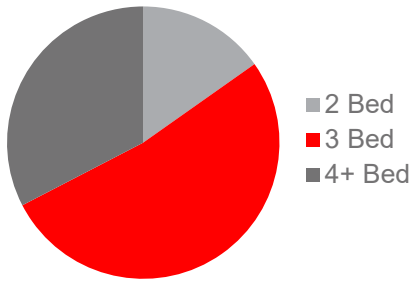
Source: APM Pricefinder, SQM Research. © Copyright PRD 2022.





AFFORDABLE & LIVEABLE HOUSE SUBURBS

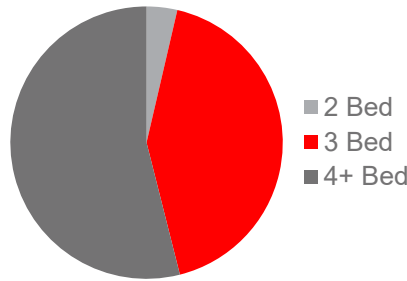
VILLAWOOD 2163



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

- Median House Price **870,000**
- 2 Bed Median Price **\$835,000***
- 3 Bed Median Price **\$855,000**
- 4+ Bed Median Price **\$883,250**

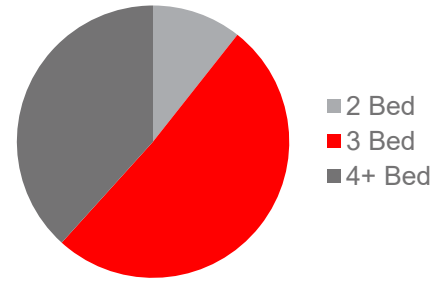
CHESTER HILL 2162



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

- Median House Price **\$988,500**
- 2 Bed Median Price **\$851,000***
- 3 Bed Median Price **\$965,000**
- 4+ Bed Median Price **\$1,015,000**

WILEY PARK 2195



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

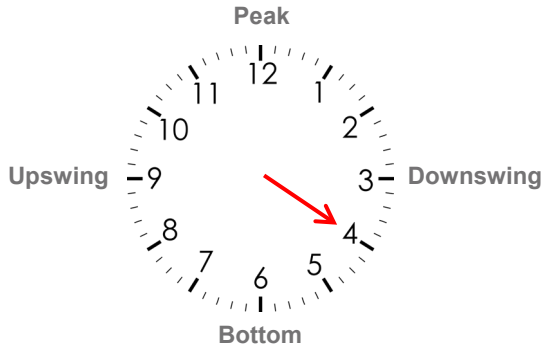
- Median House Price **\$1,059,500**
- 2 Bed Median Price **\$700,000***
- 3 Bed Median Price **\$989,540**
- 4+ Bed Median Price **\$1,032,500***

Annual Median Price Growth	5.5%**
Vacancy Rate (Mar-23)	0.9%
Rental Yield (Mar-23)	3.0%
Key Amenity (5km)	Bunnings Villawood
Total Projects (\$)	\$123.3M [^]
Key Project	Christina Road Warehouses (\$121.4M)
Unemployment Rate	8.5%

Annual Median Price Growth	9.2%**
Vacancy Rate (Mar-23)	0.6%
Rental Yield (Mar-23)	3.3%
Key Amenity (5km)	Chester Square Shopping Centre
Total Projects (\$)	\$7.5M [^]
Key Project	LAHC Community Housing Redevelopment (\$7.5M)
Unemployment Rate	8.5%

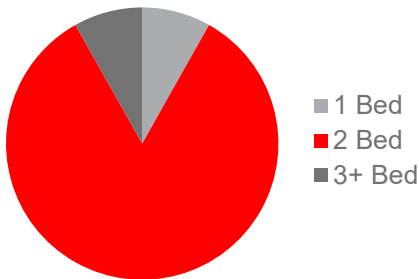
Annual Median Price Growth	4.4%**
Vacancy Rate (Mar-23)	0.3%
Rental Yield (Mar-23)	3.0%
Key Amenity (5km)	Wiley Park
Total Projects (\$)	\$44.9M [^]
Key Project	Lakemba Street & Top Housing (142 dwellings, \$42.5M)
Unemployment Rate	9.6%

[^]Quoted estimated values of projects are based on reported land/construction values as stated by the relevant data authority and do not signify their commercial/resale value. *Median price is quoted as an indication only due to having less than 20 sales transactions. [†]Quoted unemployment rate is an indication of only having a higher rate than the state average. **Median price growth quoted captures sale transactions between all of 2021 (i.e 01/01/2021 – 31/03/2021) versus all of 2022 + Q1 2023 (i.e 01/01/2022 – 31/03/2023). Source: APM Pricefinder, SQM Research, Cordell Connect, Department of Small Jobs and Business, Google Maps. © PRD 2023.

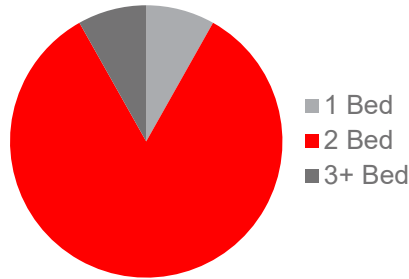


AFFORDABLE & LIVEABLE UNIT SUBURBS

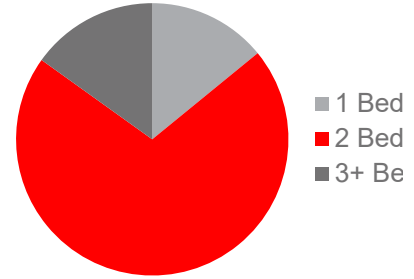
TELOPEA 2117



WEST RYDE 2114



CANTERBURY 2193



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

- Median Unit Price **\$615,000**
- 1 Bed Median Price **\$438,000***
- 2 Bed Median Price **\$552,500***
- 3+ Bed Median Price **\$1,002,500**

Located about **15.0km** from the Sydney CBD.

- Median Unit Price **\$631,000**
- 1 Bed Median Price **\$455,000***
- 2 Bed Median Price **\$631,500**
- 3+ Bed Median Price **\$1,270,000**

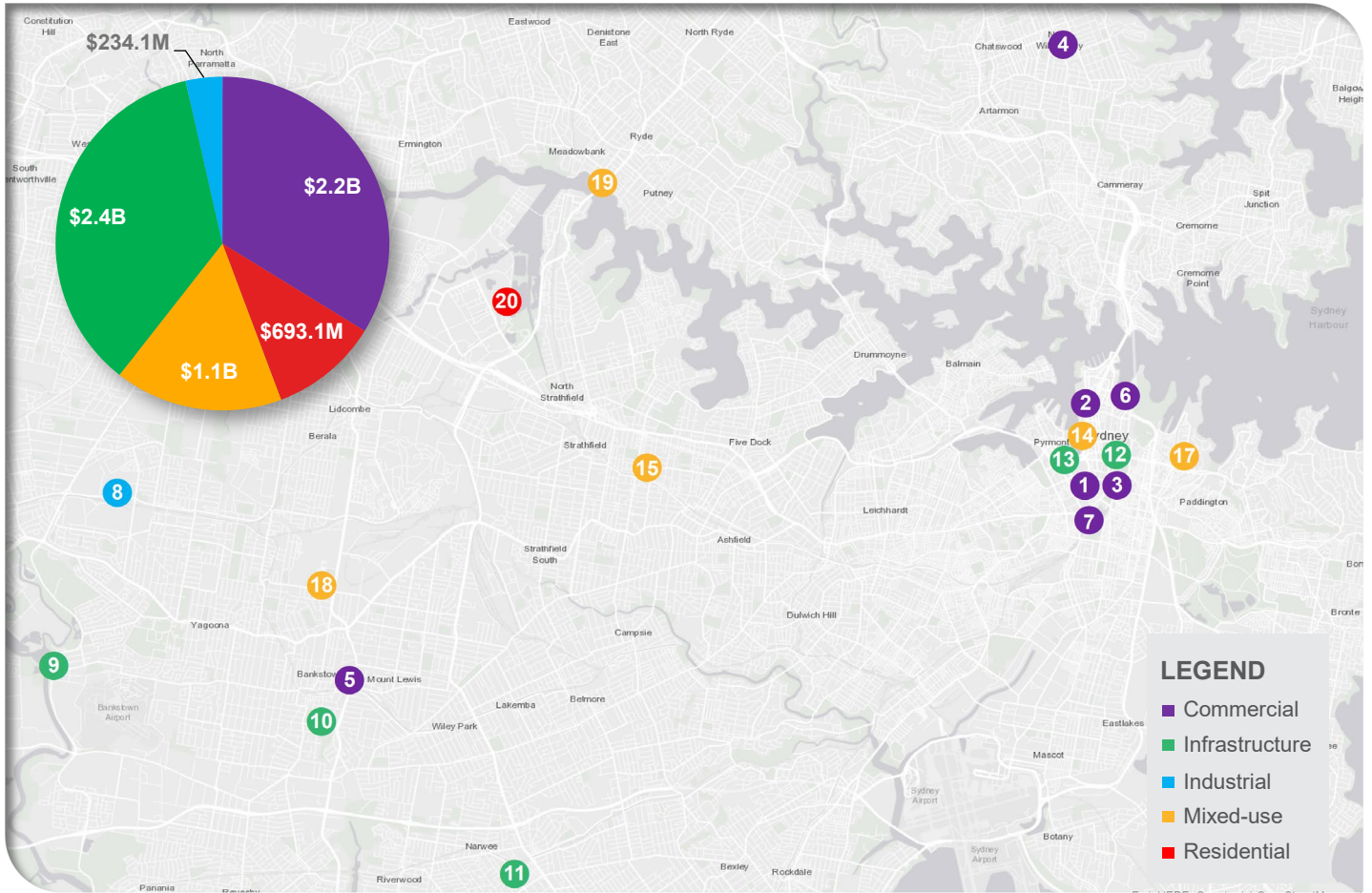
Located about **12.2km** from the Sydney CBD.

- Median Unit Price **\$637,500**
- 1 Bed Median Price **\$520,000***
- 2 Bed Median Price **\$650,000**
- 3+ Bed Median Price **\$905,000***

Annual Median Price Growth	-8.2%**	Annual Median Price Growth	0.6%**	Annual Median Price Growth	-4.9%**
Vacancy Rate (Mar-23)	1.1%	Vacancy Rate (Mar-23)	2.1%	Vacancy Rate (Mar-23)	0.8%
Rental Yield (Mar-23)	5.0%	Rental Yield (Mar-23)	4.5%	Rental Yield (Mar-23)	5.8%
Key Amenities (5km)	Elizabeth MacArthur Park	Key Amenities (5km)	Woolworths West Ryde	Key Amenities (5km)	Canterbury Hospital
Total Projects (\$)	\$8.3M [^]	Total Projects (\$)	\$7.7M [^]	Total Projects (\$)	\$14.9M [^]
Key Project	Arthur Street Units (\$17.2M, 64 Apartments)	Key Project	LAHC Community Housing Redevelopment (\$40.0M)	Key Project	Arthur Street Units (\$17.2M, 64 Apartments)
Unemployment Rate	4.1%	Unemployment Rate	3.2%	Unemployment Rate	4.2%

[^]Quoted estimated values of projects are based on reported land/construction values as stated by the relevant data authority and do not signify their commercial/resale value. *Median price is quoted as an indication only due to having less than 20 sales transactions. [†]Quoted unemployment rate is an indication of only having a higher rate than the state average
 **Median price growth quoted captures sale transactions between all of 2021 (i.e 01/01/2021 – 31/03/2021) versus all of 2022 + Q1 2023 (i.e 01/01/2022 – 31/03/2023).
 Source: APM Pricefinder, SQM Research, Cordell Connect, Department of Small Jobs and Business, Google Maps. © PRD 2023.

PROJECT DEVELOPMENT MAP 1st HALF 2023*



Location	Project [£]	Suburb	Type	Estimated Value ^µ	Commencement Date
1	Dixon & Sussex Streets Community & Commercial Building	Haymarket	Commercial	\$51,915,000	19/06/2023
2	55 Pitt Street - Commercial Building	Sydney	Commercial	\$602,196,000	01/06/2023
3	55 -57 Wentworth Avenue Commercial Development - Nh Hotel	Sydney	Commercial	\$75,000,000	15/05/2023
4	Heart Of Willoughby Mixed Use Development	Willoughby North	Commercial	\$94,771,000	09/01/2023
5	Bankstown Central Mixed Use Development	Bankstown North	Commercial	\$165,042,000	23/06/2023
6	33 Alfred Street Amp Building Refurbishment	Sydney	Commercial	\$155,980,000	20/02/2023
7	Uts Indigenous Residential College	Ultimo	Commercial	\$100,000,000	03/04/2023
8	2 Christina Road Warehouses	Villawood	Industrial	\$121,484,000	20/02/2023
9	Henry Lawson Drive Stage 1a	Georges Hall	Infrastructure	\$74,674,000	27/02/2023
10	Bankstown-lidcombe Hospital Redevelopment	Bankstown	Infrastructure	\$1,300,000,000	20/03/2023
11	Edgbaston Road Beverly Hills Railway Station Commuter Car Park	Beverly Hills	Infrastructure	\$273,043,000	27/06/2023
12	Nsw Department Of Communities & Justice - Core & Cluster Facilities	Sydney	Infrastructure	\$426,600,000	11/01/2023
13	Sydney Metro West - The Bays To Sydney Cbd	Sydney	Infrastructure	\$100,000,000	15/06/2023
14	City Tattersalls Club (241 apartments)	Sydney	Mixed-use	\$308,070,000	22/05/2023
15	Victoria Street Burwood Mixed Use Building (187 apartments)	Burwood	Mixed-use	\$73,980,000	22/06/2023
16	23 Fisher Road Mixed Use Development - Hamptons By Rose (147 apartments)	Dee Why	Mixed-use	\$70,820,000	17/04/2023
17	18-20 Darlinghurst Road Mixed Use Development (54 apartments)	Potts Point	Mixed-use	\$65,445,000	10/06/2023
18	Potts Hill Seniors Living Village (129 units)	Potts Hill	Mixed-use	\$61,641,000	10/04/2023
19	Church Street Mixed Use Building (43 apartments)	Ryde	Mixed-use	\$54,649,000	15/05/2023
20	1-2 Murray Rose Avenue Sydney Olympic Park - Antara Apartments (294 apartments)	Sydney Olympic Park	Residential	\$116,025,000	16/06/2023

* 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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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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INCLUDE

- Advisory and consultancy
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- Primary qualitative and quantitative research
- Demographic and target market Analysis
- Geographic information mapping
- Project Analysis including product and pricing recommendations
- Rental & investment return analysis

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