

Penrith Market Update

1st Half 2023



OVERVIEW

In Q1 2023, Penrith* recorded a median price of \$872,500 for houses and \$515,000 for units. This is an annual (Q1 2022 – Q1 2023) decline of -6.9% for houses and -8.0% for units. That said, on a quarterly basis (Q4 2022 – Q1 2023) median price grew marginally at 0.2% (house) and declined at a lower rate of -0.5% (units). This suggests cash rate hikes did translate into the market, but consumer confidence has started to return. Total sales did decline annually, by -16.1% (houses) and -13.4% (units), thus a market undersupply. For those seeking a more affordable market, time is of the essence.

	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 2023



SALES AVERAGE DAYS ON MARKET
Q1 2023



RENTAL MEDIAN PRICE
Q1 2023

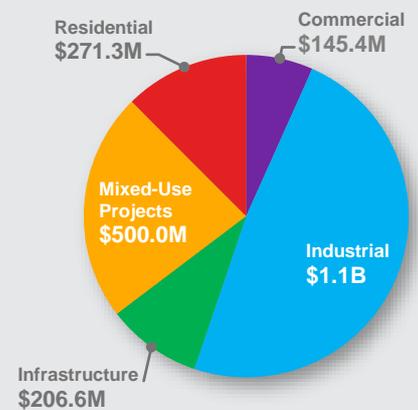


RENTAL AVERAGE DAYS ON MARKET
Q1 2023



FUTURE DEVELOPMENTS

Penrith is set to see approximately **\$2.1B** worth of new projects commencing in the 1st half of 2023.



Future development projects planned for the area will stimulate economic growth and create large employment opportunities in Penrith. This should have positive spill-over impact on the real estate market.

Key projects planned for Penrith* include Oakdale West Industrial Estate (\$447M) and Sydney Science Park Innovation Hub (\$80M). With multiple commercial and industrial planned local job creation increases, attracting more people to Penrith.

There were a few residential projects planned for 1st half 2023, however increased construction costs have made most DA approvals unfeasible. Thus planned construction has been delayed, causing an undersupply of projected unit construction. The lack of supply is driving high rental prices, with vacancy rates at record lows.

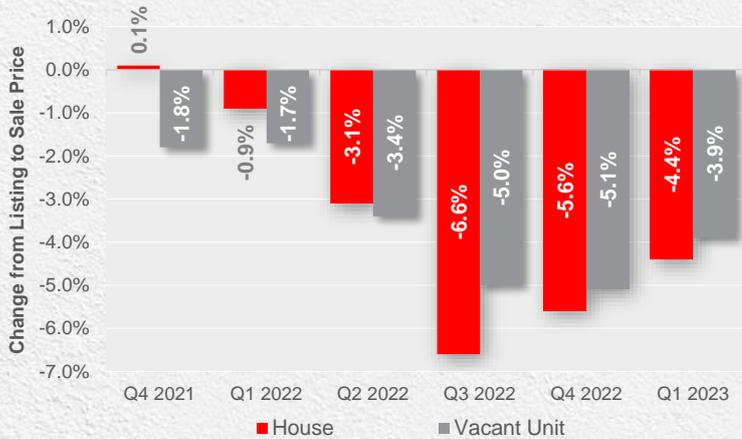
AVERAGE VENDOR DISCOUNT* KEY COMMENTS

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.

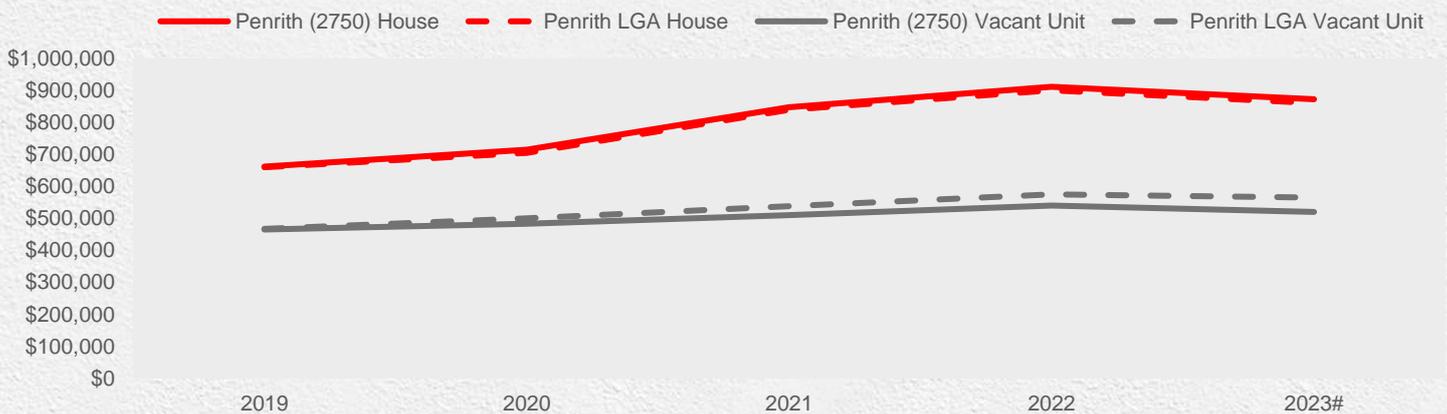
Average vendor discounts between Q1 2022 and Q1 2023 have widened to a higher discount of -4.4% for houses and -3.9% for units. Market conditions in Penrith still favour buyers, as sellers are willing to accept below the first list price. That said Q1 2023 vendor discount is not as high as mid-late 2022, suggesting the market is normalising. Thus first home buyers must act fast.

The suburb of Penrith has historically been on par with the Penrith Local Government Area (LGA) in both house and unit median prices. 2023# saw this trend continue with only a very slight variation in price difference.

The dominant proportion of homes sold in Penrith* across 2022/23# were in the lower mid-price point of \$800,000 to \$899,000 (26.8%). Units also recorded a dominant proportion of sales in the mid price point of \$500,000 to \$600,000 (24.8%). Affordable options are now more available, especially in house market. That said the premium house market remain strong, with 22.5% sales being above \$1.1M and above.



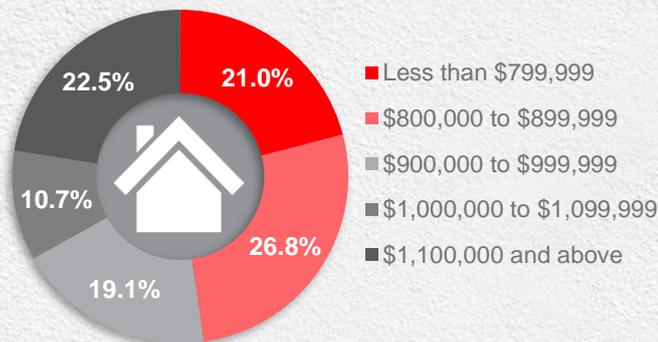
MARKET COMPARISON



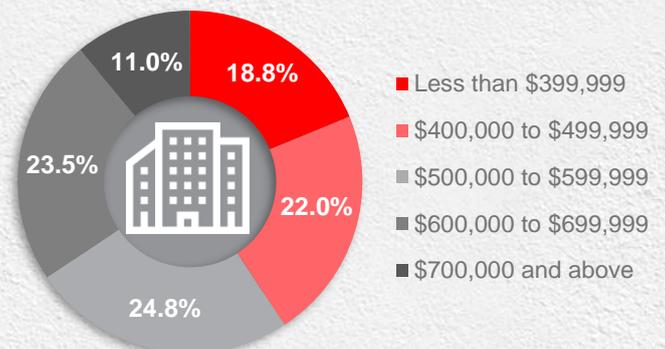
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Penrith.

PRICE BREAKDOWN 2022/23#

HOUSES SOLD



UNITS SOLD



RENTAL GROWTH 2023€

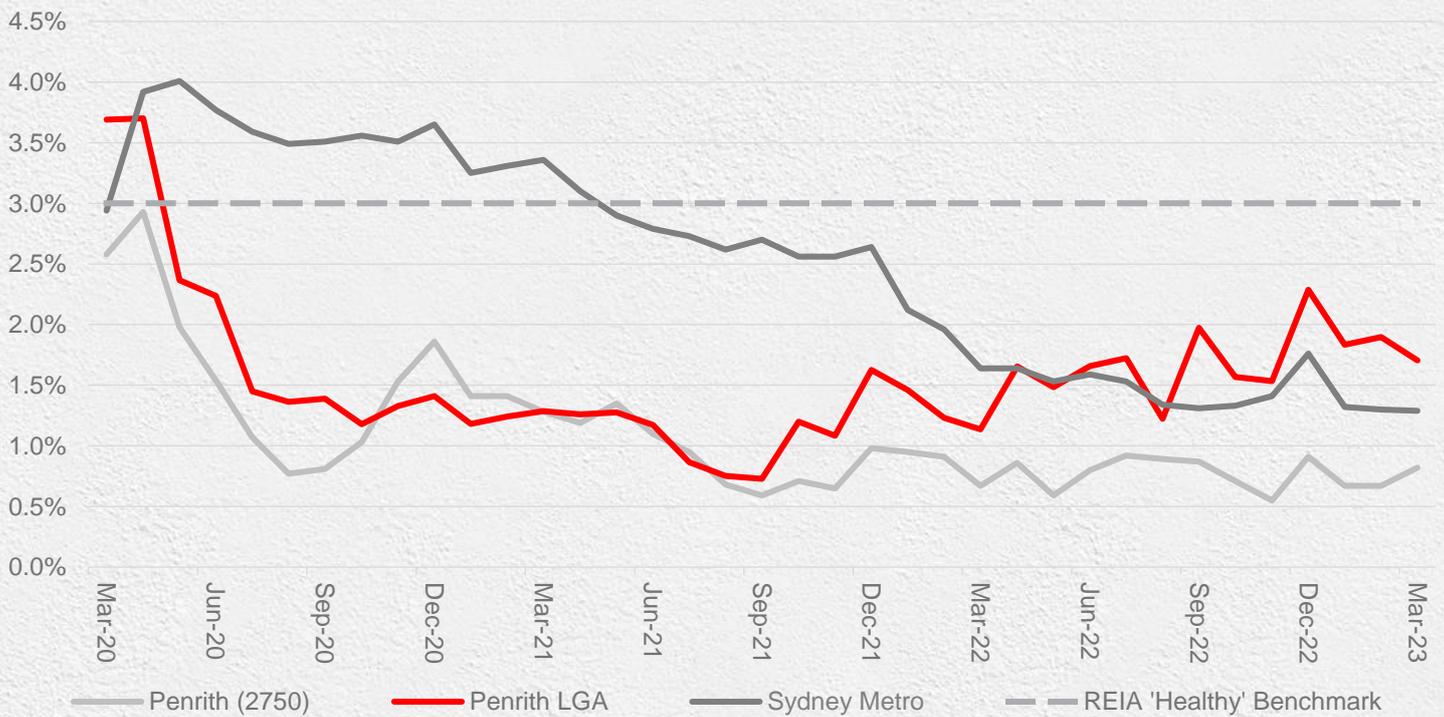
House rental yields in Penrith was 4.4% in March 2023, well above Sydney Metro (2.9%). Furthermore in the 12 months to Q1 2023 median house rental price increased by 10.0% to sit at \$550 per week, alongside a 17.7% increase in the number of houses rented (to 213 rentals). Average days on market remained at a low 21 days in Q1 2023. A similar pattern can be seen in the unit rental market, confirming Penrith* as an attractive investment option.

4+ bedroom houses have provided investors with +12.5% rental growth annually, achieving a median rent of \$650 per week.

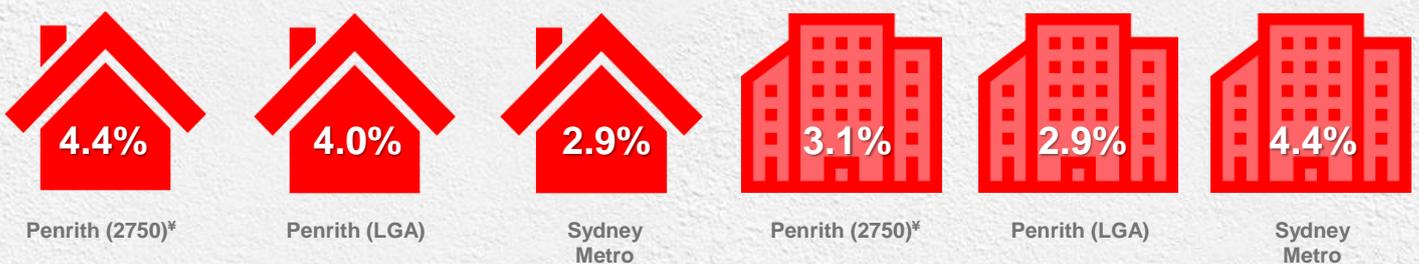
Penrith* recorded a vacancy rate of 0.8% in March 2023, below Sydney Metro's 1.3% average. Vacancy rates in Penrith* have slightly fluctuated in the past 18 months. A slight uptick in the past 6 months is due to investors capitalising on a tight rental market, however it is still below the Real Estate of Institute of Australia's healthy benchmark of 3.0%. These key indicators create a conducive environment for investors, even if median prices have started to normalise in the past quarter.



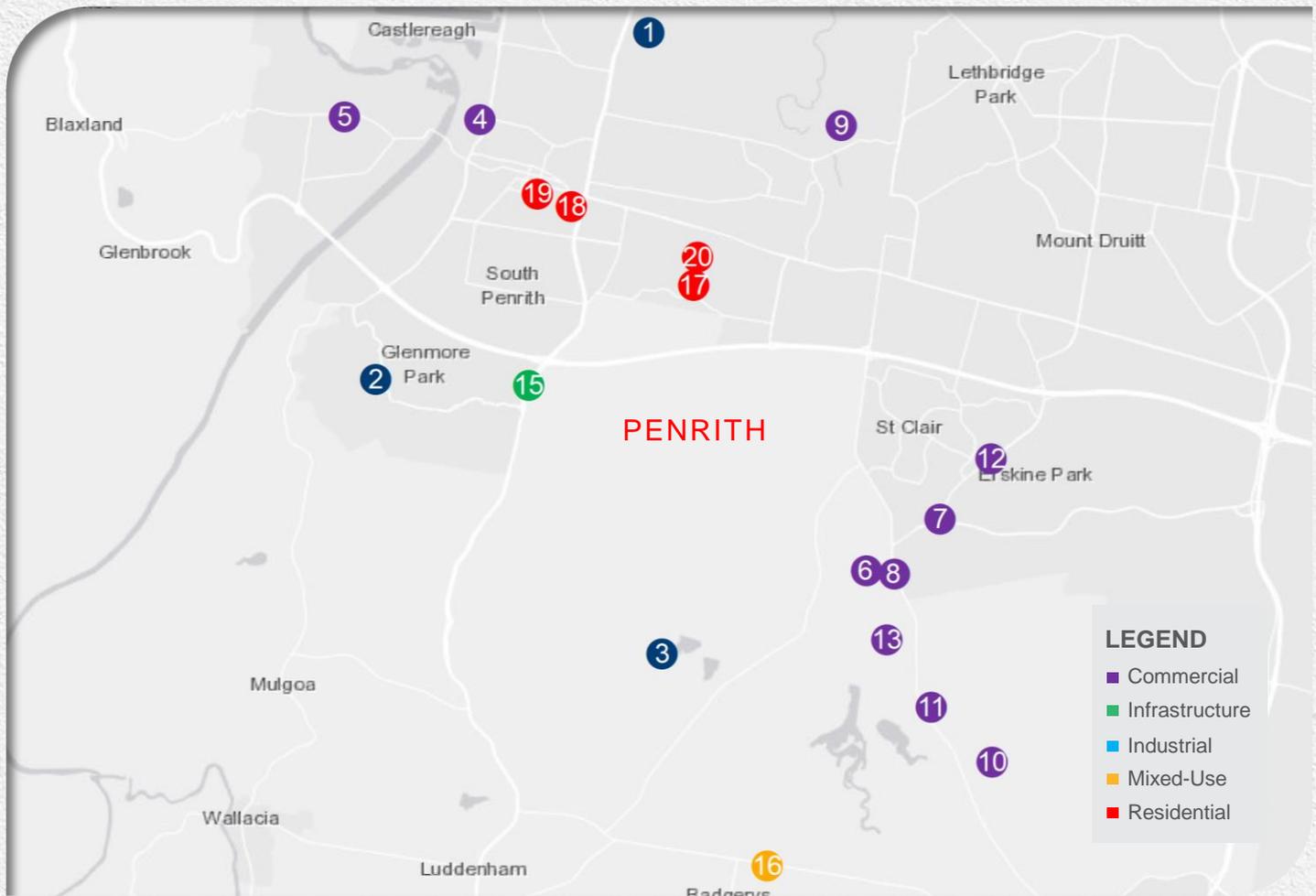
RENTAL VACANCY RATES 2023



RENTAL YIELD 2023\$



TOP DEVELOPMENTS MAP 1st HALF 2023^A



Location	Project [£]	Type	Estimated Value ^µ	Commence Date ^µ
1	Catholic Healthcare Jordan Springs	Commercial	\$32,708,000	07/06/2023
2	Home Co Glenmore Park	Commercial	\$11,744,000	13/02/2023
3	Sydney Science Park Innovation Hub	Commercial	\$80,000,000	27/04/2023
4	Bunnings Penrith	Industrial	\$7,500,000	12/04/2023
5	154 & 156 Old Bathurst Road Storage Units - Astina Space	Industrial	\$8,000,000	03/04/2023
6	Distribution Drive Industrial Units	Industrial	\$8,807,000	05/04/2023
7	1-23 & 55 Lenore Drive Industrial Complex	Industrial	\$9,000,000	05/04/2023
8	Snack Brands Manufacturing Facility - Project Horizon	Industrial	\$35,000,000	12/06/2023
9	Pipe Makers	Industrial	\$6,364,000	28/02/2023
10	Westlink Industrial Estate - Project Now Included In Id 8033585	Industrial	\$211,398,000	18/01/2023
11	Lineage Logistics Warehouse Aspect Industrial Estate	Industrial	\$250,000,000	27/06/2023
12	Oakdale West Industrial Estate	Industrial	\$447,072,000	08/05/2023
13	Symbion Distribution Facility	Industrial	\$70,000,000	15/05/2023
Not Mapped	The Driftway Traffic Safety Improvements	Infrastructure	\$25,000,000	15/05/2023
15	Defence Establishment Orchard Hills - Guided Weapons Explosive Ordnance	Infrastructure	\$170,000,000	26/06/2023
16	Northern Gateway Badgerys Creek	Mixed-use	\$500,000,000	16/06/2023
17	Caddens Hill (116 Lots)	Residential	\$7,460,000	18/05/2023
18	20-28 Lethbridge St Apartments (81 Apartments)	Residential	\$17,820,000	21/04/2023
19	Evan Street Apartments (40 Apartments)	Residential	\$11,000,000	24/01/2023
20	46-66 O'Connell St Development Concept Plan	Residential	\$210,000,000	09/03/2023



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.

2023 encapsulates sales transactions for Quarter 1 (01/01/2023 – 31/3/2023) only.

€ Annual rental growth is a comparison between Quarter 1 2022 (01/01/2022 – 31/3/2022) and Quarter 1 2023 (01/01/2023 – 31/3/2023) house median rent figures.

¥ Penrith rental market data encapsulates aggregate property conditions within the postcode of 2750.

§ Rental yields shown are as reported as of March 2023.

⌘ 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 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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