

PRD. 
REAL ESTATE



Affordable & Liveable Property Guide
Sydney Metro 2nd Half 2023



OVERVIEW

Median property prices in Sydney Metro decreased by **-2.6% for houses to \$1,910,000** from Q3 2022 to Q3 2023*, while **units increased marginally, by 0.5%**. On a quarterly basis (Q2 2023 – Q3 2023) however, this reflects a higher **median price softening of -5.4% for houses and -1.9% for units**. Thus, the full effect of interest rate hikes have translated into the Sydney Metro market; providing a more affordable entry price. In the past 12 months to Q3 **2023 total sales increased by 15.4% (to 4,854) for house and by 30.4% (to 8,707) for units**, which suggest consumer confidence returned. Even though we are still seeing price softening now, this may change sooner than later – due to a higher demand. A total **\$25.0B of projects** are planned across 2023, with many mixed-use and residential projects. However, this will deliver mostly units, thus **stand-alone houses will remain undersupplied**. For those looking for a more affordable market, especially houses, time is of the essence.

RECENT TOP PERFORMING SUBURBS

Area	Suburb	Type	Median Price 2022	Median Price 2023*	Price Growth	Projects 2023***
Inner	Erskineville	House	\$1,517,500	\$1,725,000	13.7%	\$718.4M
	Haymarket	Unit	\$870,000	\$1,050,000	20.7%	\$1.1B
North	Normanhurst	House	\$1,555,000	\$1,877,500	20.7%	\$170.1M
	Eastwood	Unit	\$707,500	\$889,000	25.7%	\$25.6M
South	Arncliffe	House	\$1,440,000	\$1,545,000	7.3%	\$52.5M
	Kogarah	Unit	\$625,000	\$660,000	5.6%	\$527.0M
East	Double Bay	House	\$4,200,000	\$4,735,000	12.7%	\$114.2M
	Waverley	Unit	\$1,060,000	\$1,255,000	18.4%	\$11.6M
West	Parramatta	House	\$1,425,000	\$1,600,000	12.3%	\$69.4M
	Annandale	Unit	\$986,000	\$1,250,000	26.8%	\$18.8M

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** | 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 2022 to 2023*.
- **Investment** | As of September 2023, suburbs considered will have an on-par or higher rental yield than Sydney Metro, and an on-par or lower vacancy rate.
- **Affordability** | 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 \$723,574** as of Q2 2023. Premiums of 80% for houses and -42% for units were added, which were below those required to reach Sydney Metro's median prices (164% for houses and 12% for units). This places the chosen suburbs below Sydney Metro's median price, meaning that the suburbs identified within this report are more affordable for buyers.
- **Development** | Suburbs identified must have a high total estimated value of future project development for 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** | 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 2023 release).

*Median price quoted captures sale transactions from 1st January 2023 to 30th September 2023, or Q1 – Q3 2023. **Average home loan figure is derived from June Quarter 2023 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 2023 as stated by the relevant data authority. ^Annual Change is reflective of median price change from Q3 2022 to Q3 2023. Figures displayed in infographics are for the period Q3 2023. Source: APM Pricerfinder, REIA, SQM Research, Cordell Connect, Department of Jobs and Small Business. © PRD 2023.




SYDNEY METRO



Annual Change[^]

Sales 
 Median Price 
 Rental Price 



Sales 
 Median Price 
 Rental Price 

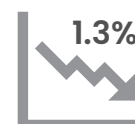
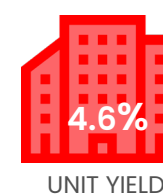
MEDIAN SALE PRICE



MEDIAN RENTAL PRICE

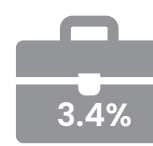


BENCHMARKS SYDNEY METRO



VACANCY RATE

BENCHMARKS NEW SOUTH WALES



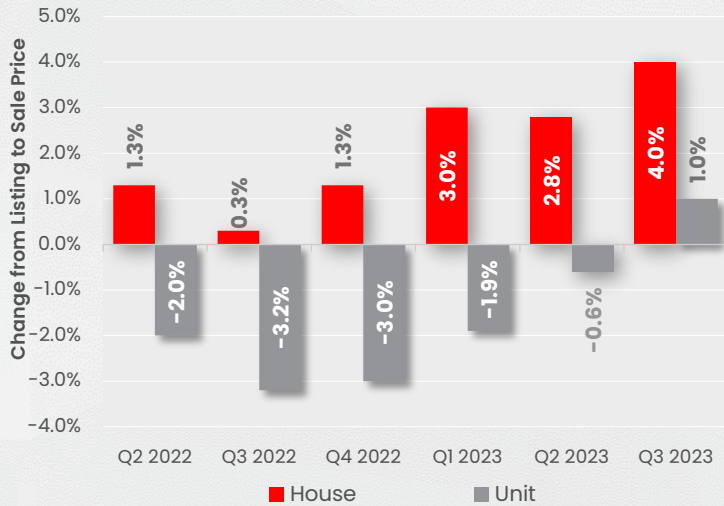
UNEMPLOYMENT RATE



AVERAGE HOME LOAN

\$723,574

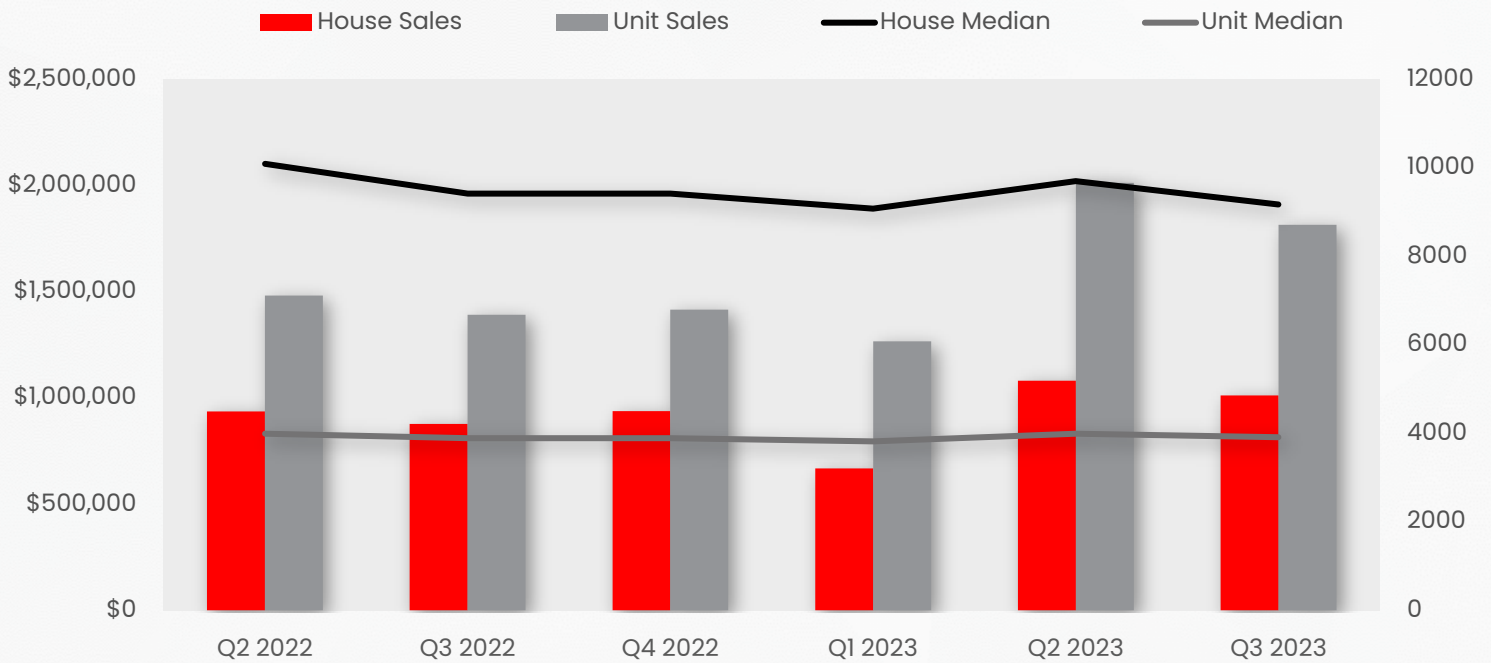
AVERAGE VENDOR DISCOUNT



Average house vendor discount between Q3 2022 and Q3 2023 have trended to a higher premium of 4.0% and have swung from a discount to a 1.0% premium for units. Average vendor premium have trended higher each quarter for both property types, which suggest that although median prices have softened the market has started to move towards a recovery phase. Buyers must act fast, before average vendor discount travel further.

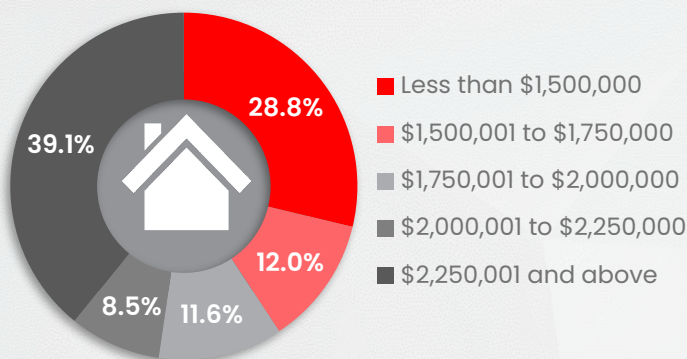
The dominant proportion of homes sold in Sydney Metro across 2023# were in the premium bracket of \$2,250,000 and above (39.1%). Units on the other hand recorded a dominant more affordable price bracket of \$550,000 to \$750,000 (27.8%). There is almost equal opportunity in premium and lower pricing for both house and units, creating a wider net for first home buyers.

MARKET PERFORMANCE

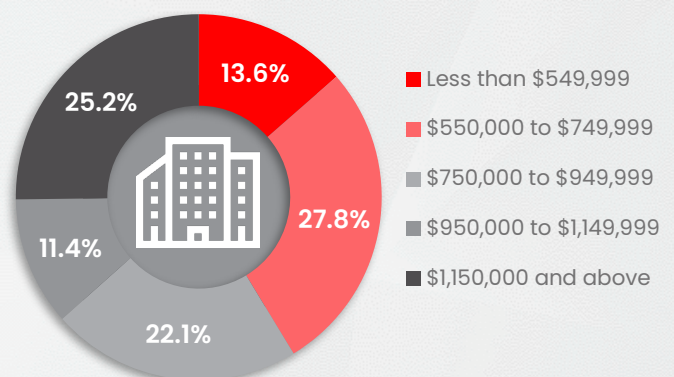


PRICE BREAKDOWN 2023#

HOUSES SOLD

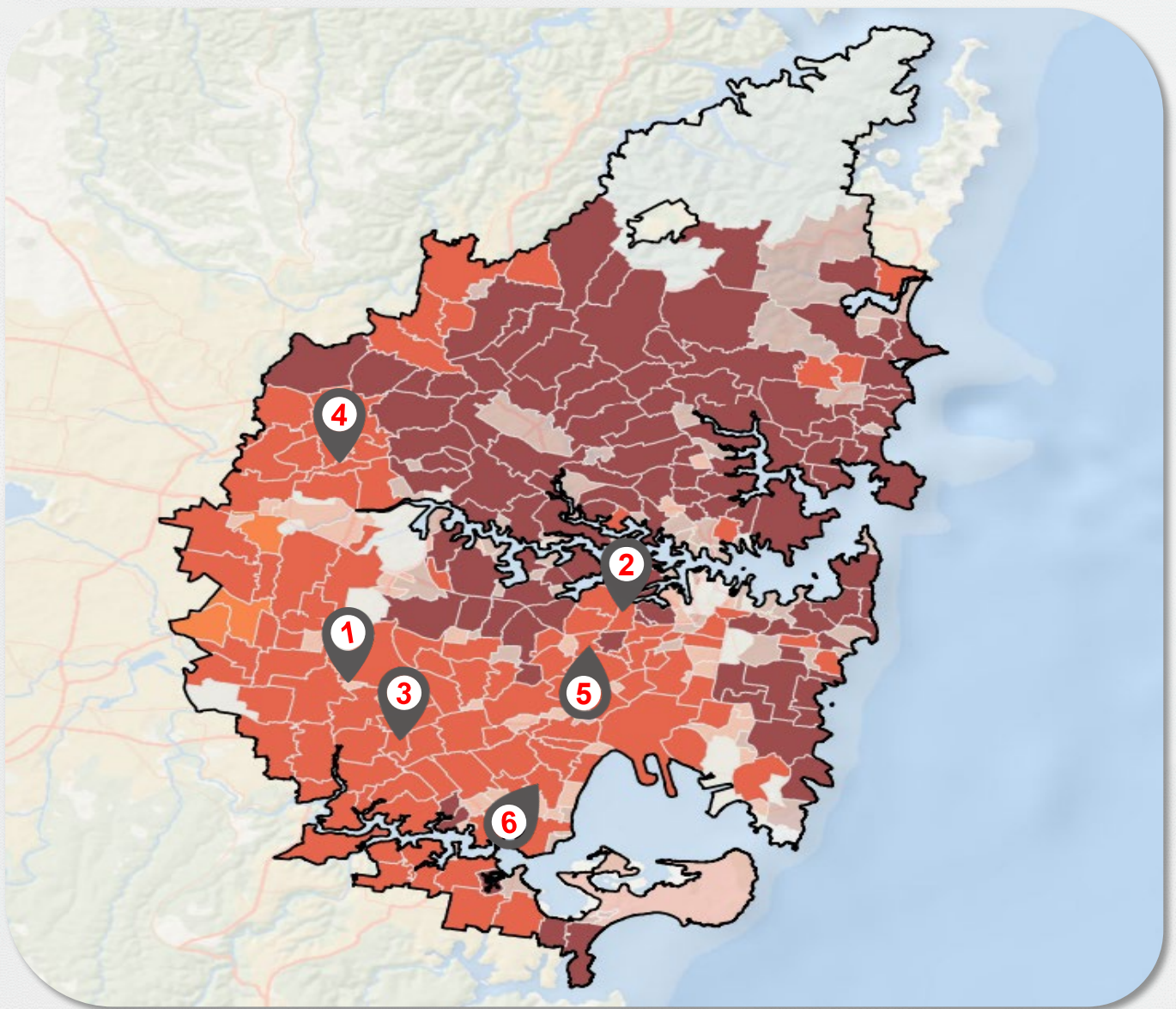


UNITS SOLD

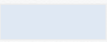
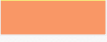





#2023 encapsulates sales transactions for Q1 2023 – Q3 2023 (01/01/2023 – 30/09/2023) only. Source: APM Pricefinder. © Copyright PRD 2023.

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

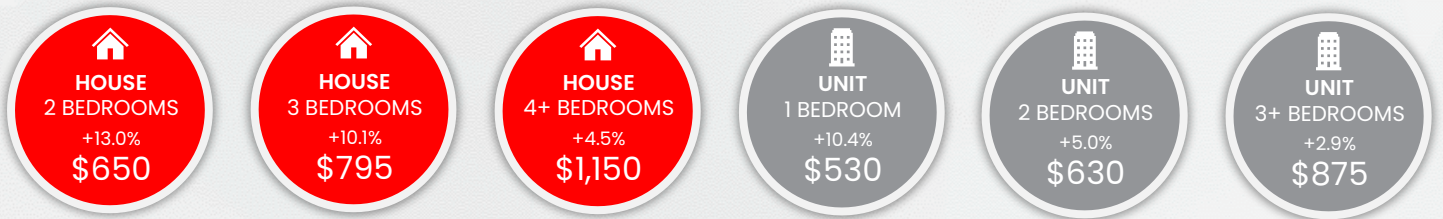
	Suburb	House		Suburb	Unit
1	Villawood	3.4%	4	North Rocks	5.2%
2	Auburn	3.7%	5	Croydon Park	5.3%
3	Bankstown	3.6%	6	Kogarah	4.7%

RENTAL GROWTH 2023 €

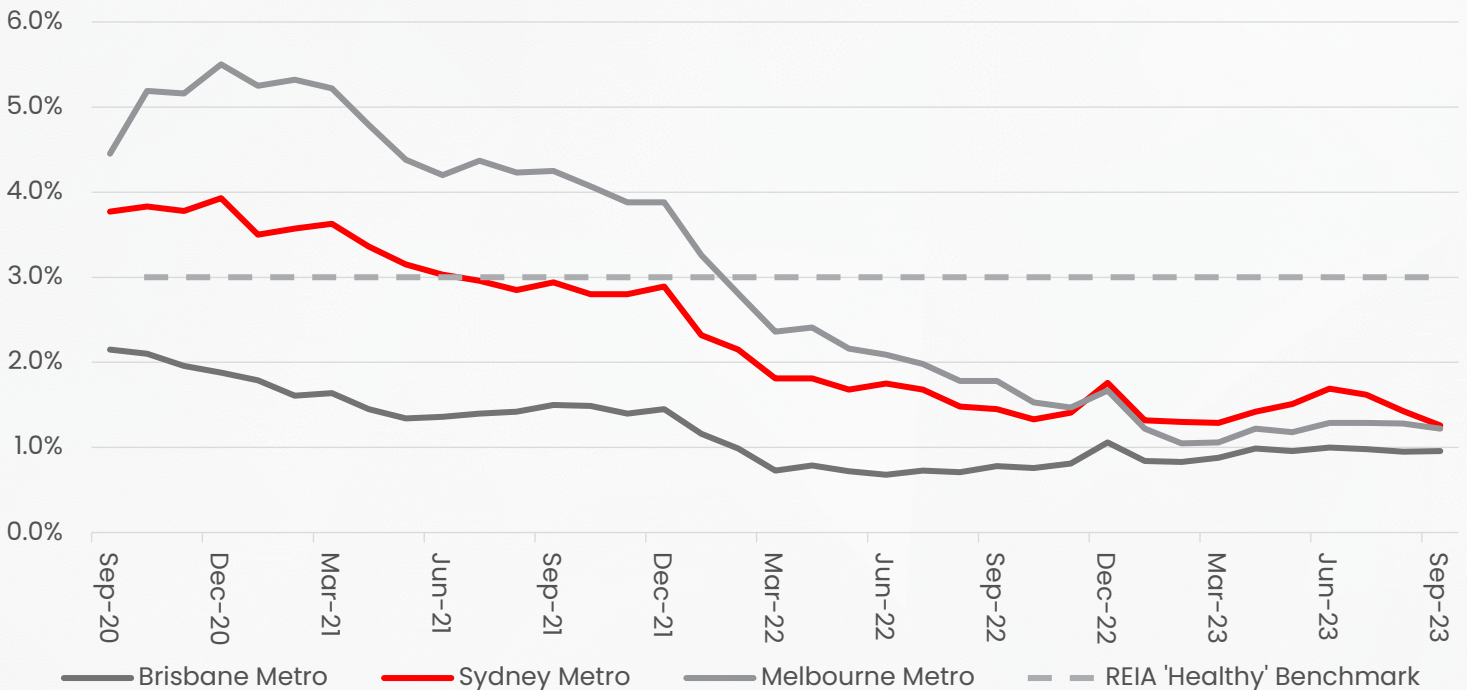
In September 2023, house rental yields in Sydney Metro were 2.7%, just slightly below Melbourne Metro. In the 12 months to Q3 2023, Sydney Metro's median house rental price increased by 18.9% to \$950 per week, further complemented with a low average days on the market, of 21 days. The house rental market has continued to show strong growth, which is now more attractive for investment due to the median house price downturn on both annual and quarterly basis.

2-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 a supply shortage.

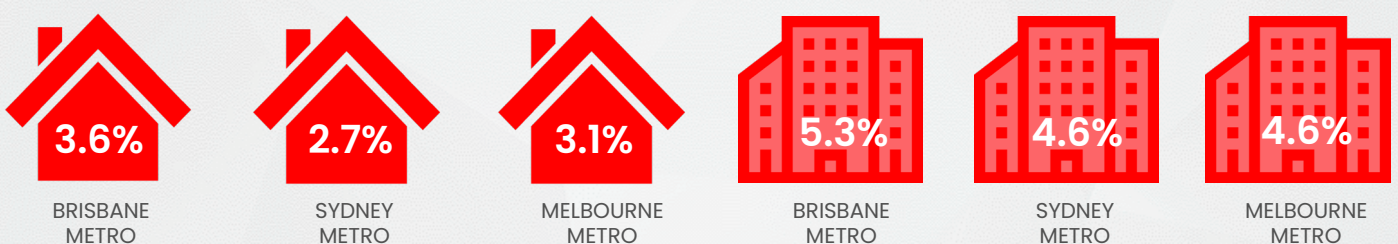
In September 2023, Sydney Metro recorded a vacancy rate of 1.3%, relatively on par with Melbourne and Brisbane Metro (1.2% and 1.0%). Vacancy rates in Sydney Metro remained well below the Real Estate Institute of Australia's healthy benchmark of 3.0% for the past 18 months and continues to show a declining trend since September 2020. It has showed some stability over the last 6 months, due to investors coming back to the market. However current vacancy rates are still at a historical low, which indicates quicker rental occupancy and security in income cash flow. Now is the time to invest.



RENTAL VACANCY RATES 2023



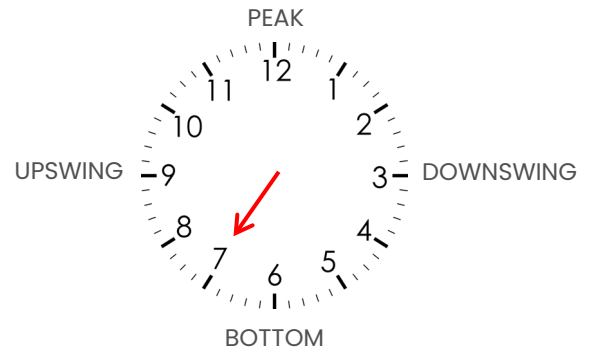
RENTAL YIELD 2023§



€ Annual rental growth is a comparison between Q3 2022 – Q3 2023 (01/07/2022 – 30/09/2023) house median rent figures. § Rental yields shown are as reported at September 2023. Source: APM Pricerfinder, SQM Research. © Copyright PRD 2023.



HOUSES PROPERTY CLOCK

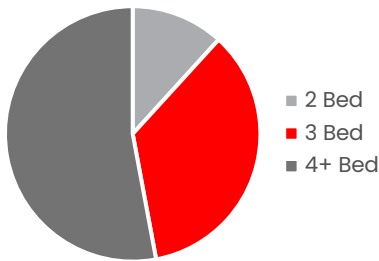


AFFORDABLE & LIVEABLE SUBURBS FOR HOUSES



VILLAWOOD 2163

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



Median House Price **\$880,000**
 2 Bed Median Price **\$900,000***
 3 Bed Median Price **\$839,000***
 4+ Bed Median Price **\$937,500***

Annual Median Price Growth 0.6%**

Vacancy Rate (Sep-23) 0.5%

Rental Yield (Sep-23) 3.4%

Key Amenity (5km) Bunnings Villawood

Total Projects (\$) \$155.5M[^]

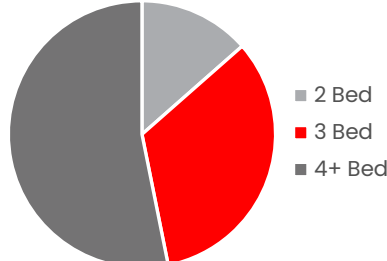
Key Project Town Centre Mixed-use (\$32.2M, 112 Units)

Unemployment Rate 2.8%



AUBURN 2144

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



Median House Price **\$1,100,000**
 2 Bed Median Price **\$830,000***
 3 Bed Median Price **\$1,100,000**
 4+ Bed Median Price **\$1,295,000**

Annual Median Price Growth 3.2%**

Vacancy Rate (Sep-23) 0.4%

Rental Yield (Sep-23) 3.7%

Key Amenity (5km) Auburn Central

Total Projects (\$) \$128.7M[^]

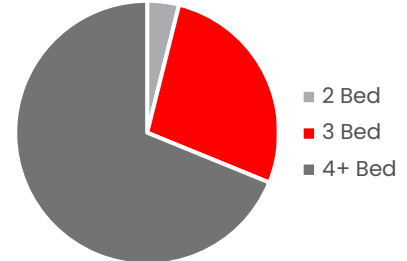
Key Project Commercial & Community Development (\$74.8M)

Unemployment Rate 1.9%



BANKSTOWN 2200

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



Median House Price **\$1,305,000**
 2 Bed Median Price **\$850,000***
 3 Bed Median Price **\$1,371,000**
 4+ Bed Median Price **\$1,305,000**

Annual Median Price Growth 8.8%**

Vacancy Rate (Sep-23) 0.4%

Rental Yield (Sep-23) 3.6%

Key Amenity (5km) TAFE NSW - Bankstown

Total Projects (\$) \$134.7M[^]

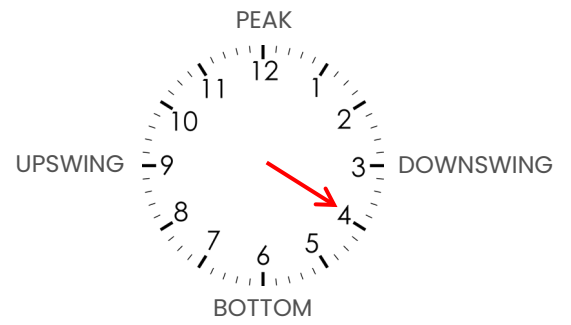
Key Project Urban Renewal Corridor (\$100M)

Unemployment Rate 4.4%

[^]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. **Median price growth quoted captures sale transactions from 1st July 2022¹ to 30th September 2023, or Q3 2022 – Q3 2023. Source: APM Pricerfinder, SQM Research, Cordell Connect, Department of Small Jobs and Business, Google Maps. © PRD 2023.



UNITS
PROPERTY CLOCK

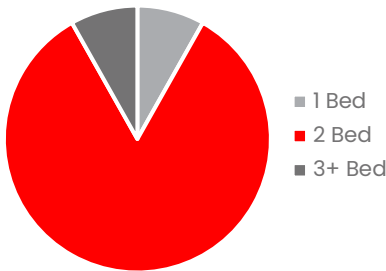


AFFORDABLE & LIVEABLE SUBURBS FOR UNITS



NORTH ROCKS
2151

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



Median House Price **\$607,500**
 1 Bed Median Price **\$440,000***
 2 Bed Median Price **\$595,000***
 3+ Bed Median Price **\$1,257,500***

Annual Median Price Growth 0.4%**

Vacancy Rate (Sep-23) 0.8%

Rental Yield (Sep-23) 5.2%

Key Amenities (5km) North Rocks Shopping Centre

Total Projects (\$) \$41.6M[^]

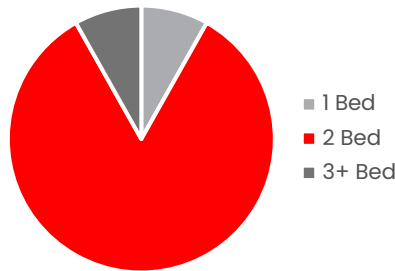
Key Project Arthur Street Units (\$17.2M, 64 Apartments)

Unemployment Rate 1.2%



CROYDON PARK
2133

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



Median House Price **\$615,000**
 1 Bed Median Price **\$457,500***
 2 Bed Median Price **\$615,000**
 3+ Bed Median Price **\$1,098,000***

Annual Median Price Growth 4.2%**

Vacancy Rate (Sep-23) 0.8%

Rental Yield (Sep-23) 5.3%

Key Amenities (5km) Flockhart Park

Total Projects (\$) \$38.5M[^]

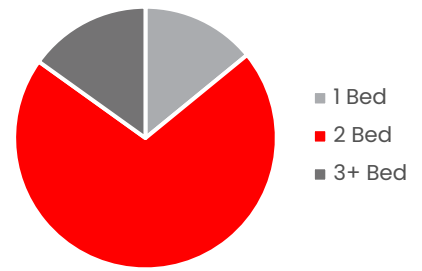
Key Project LAHC Community Housing Redevelopment (\$40.0M)

Unemployment Rate 3.3%



KOGARAH
2217

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



Median House Price **\$660,000**
 1 Bed Median Price **\$575,000***
 2 Bed Median Price **\$670,000**
 3+ Bed Median Price **\$882,500**

Annual Median Price Growth 5.6%**

Vacancy Rate (Sep-23) 0.9%

Rental Yield (Sep-23) 4.7%

Key Amenities (5km) St George Hospital

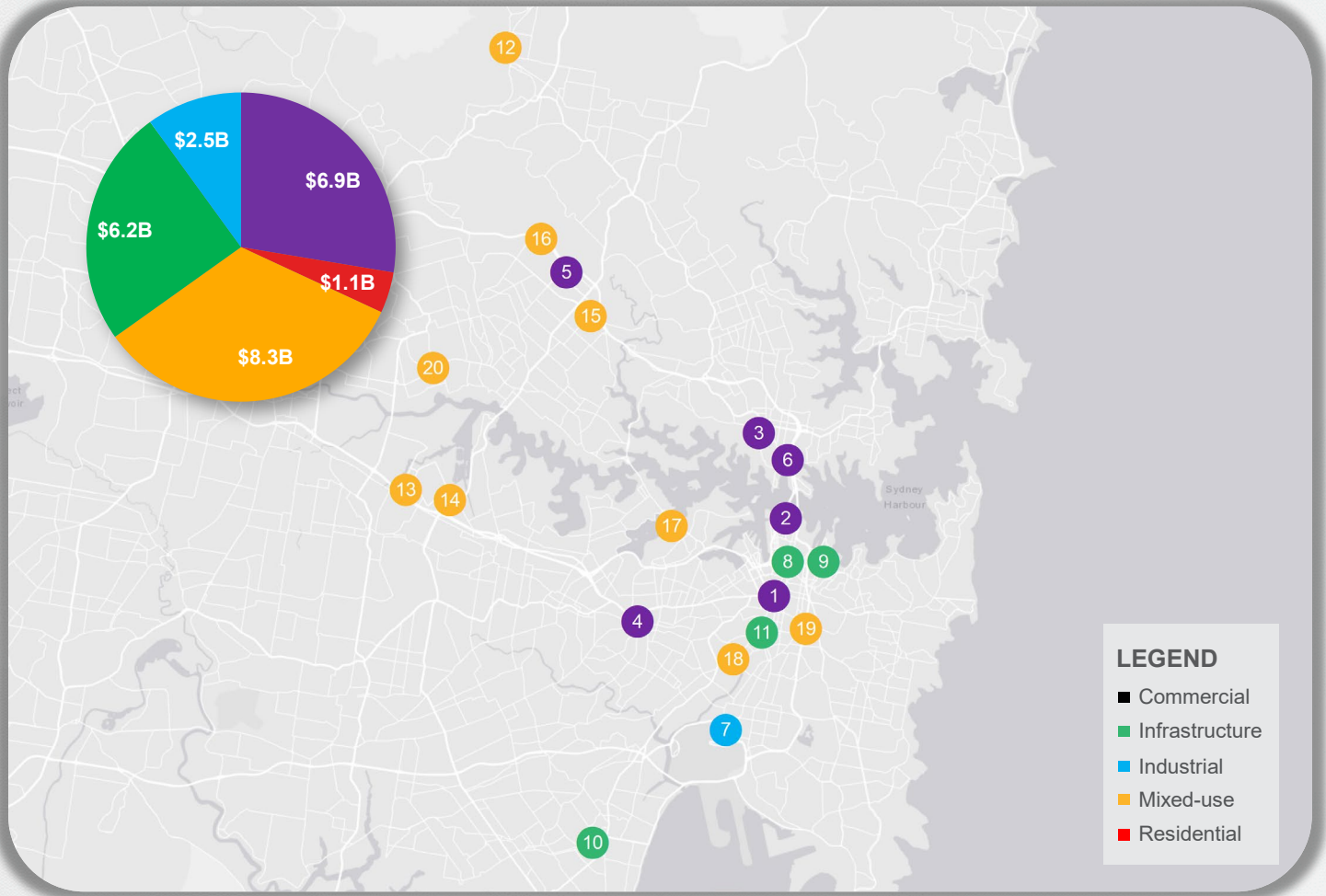
Total Projects (\$) \$527M[^]

Key Project Arthur Street Units (\$17.2M, 64 Apartments)

Unemployment Rate 2.7%

[^]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. **Median price growth quoted captures sale transactions from 1st July 2022 to 30th September 2023, or Q3 2022 - Q3 2023. Source: APM Pricerfinder, SQM Research, Cordell Connect, Department of Small Jobs and Business, Google Maps. © PRD 2023.

PROJECT DEVELOPMENT MAP 2023*



Location	Project [£]	Type	Estimated Value ^µ	Suburb
1	Central Place Sydney	Commercial	\$854,348,000	Haymarket
2	55 Pitt Street - Commercial Building	Commercial	\$602,196,000	Sydney
3	Campus 105	Commercial	\$508,861,000	North Sydney
4	West Street Seniors Living Development	Commercial	\$169,620,000	Lewisham
5	Macquarie Centre	Commercial	\$195,470,000	Macquarie Park
6	107 Mount Street Commercial Building	Commercial	\$225,814,000	North Sydney
7	Mascot Logistics Hub	Industrial	\$300,000,000	Mascot
8	Sydney Metro Western Sydney Airport Stations, Trains, Operations & Maintenance	Infrastructure	\$5,700,000,000	Sydney
9	NSW Department Of Communities & Justice - Core & Cluster Facilities	Infrastructure	\$426,600,000	Sydney
10	St George Hospital Integrated Ambulatory Care Precinct - Stage 3	Infrastructure	\$411,000,000	Kogarah
11	Waterloo Metro Quarter Over Station Development - Overall Concept Plan	Infrastructure	\$299,000,000	Waterloo
12	Hornsby West Development (249 Units)	Mixed-use	\$170,629,000	Hornsby
13	YMCI Homebush City Garden - Zone 3 - Ovation Quarter (417 Units)	Mixed-use	\$172,744,000	Lidcombe
14	UHRIQ Road Mixed Use Development - Vivacity Stage 2 (579 Units)	Mixed-use	\$177,540,000	Lidcombe
15	Ivanhoe Estate Redevelopment - Stage 2 (216 Units)	Mixed-use	\$310,000,000	Macquarie Park
16	100-108 Talavera Road Mixed Use Development Stage 2 - Trilogy - Destination (1036 Units)	Mixed-use	\$368,248,000	Macquarie Park
17	Bays West Masterplan - Overall Project (250 Units)	Mixed-use	\$500,000,000	Rozelle
18	Mitchell Rd & Ashmore St Residential Development - Park Sydney (1400 Units)	Mixed-use	\$636,739,000	Erskineville
19	Redfern Communities Mixed Use Bridge Housing (Development Site Masterplan Approx. 600 Units)	Mixed-use	\$230,000,000	Redfern
20	Victoria & Wharf Roads Mixed Use Development (412 Units)	Mixed-use	\$166,650,000	Melrose Park

* 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. © PRD 2023.

ABOUT PRD'S RESEARCH DIVISION

PRD's property research division provides reliable and unbiased data, insights and consultancy to clients in both 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.

KNOWLEDGE

Access to accurate and objective research is the foundation of all good property decisions. PRD shares on-the-ground experience and decades of knowledge to deliver innovative and effective solutions to our clients.

We take a holistic approach and 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 facts.

PEOPLE

Our in-house research team is skilled in deriving macro and micro quantitative information from multiple credible sources, so we can ensure we provide strategic advice and financially sound direction regarding property and market performance.

RESEARCH SERVICES

Our research services span over every suburb, Local Government Area, and state within Australia. 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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Our services include:

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



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