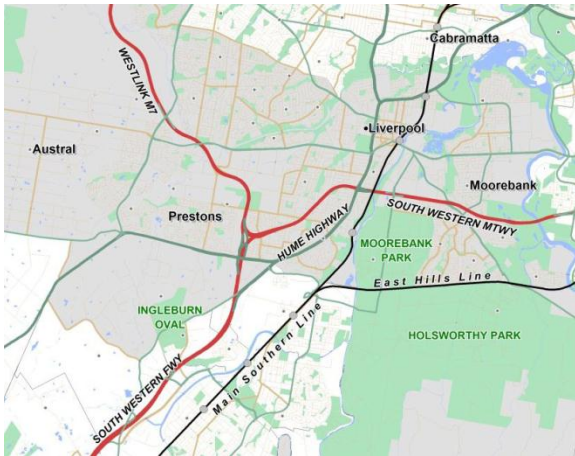




PROPERTY WATCH® REPORT

Liverpool
Third Quarter 2014

PRD nationwide



Liverpool LGA Regional Map

This following Property Watch report analyses the current trends and performance of the Liverpool region residential market as highlighted in the adjacent Liverpool LGA Regional Map.

Situated approximately 40 kilometers west of Sydney, Liverpool is quickly becoming a major regional center for greater Sydney with a rise in population, investment in infrastructure and increased density. The South Western Motorway provides direct access to central Sydney while the Westlink and South Western freeway allows easy for north/south regional access.

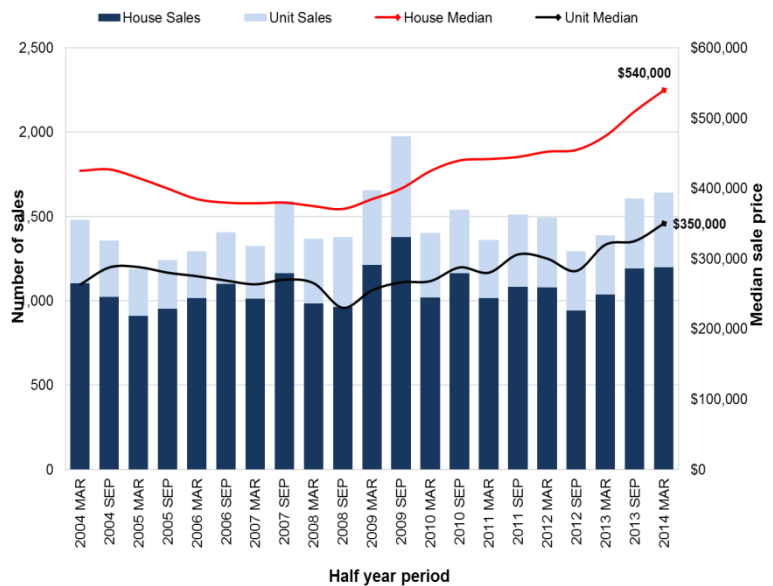
Liverpool has a diverse range of property types ranging from affordable apartments to full sized family homes which provides opportunities at all ends of the market. This Property Watch report will aim to further highlight the regions characteristics, analyse the market and forecast the future trends of the Liverpool market.

House & Unit Sales Cycle

The metro Liverpool housing market had registered a total of 2,383 transactions in the annual period to March 2014 which represents an annual increase of 18.7 per cent. Median prices have also shown a strong increase of 13 per cent over the same period. Over 10 years however median prices have increased at a more stable 2.7 per cent per annum.

The unit market is also showing positive signs after years of subdued growth with an increase in transactional activity of 23 per cent and an increase in median value of 9.3 per cent in since March 2013.

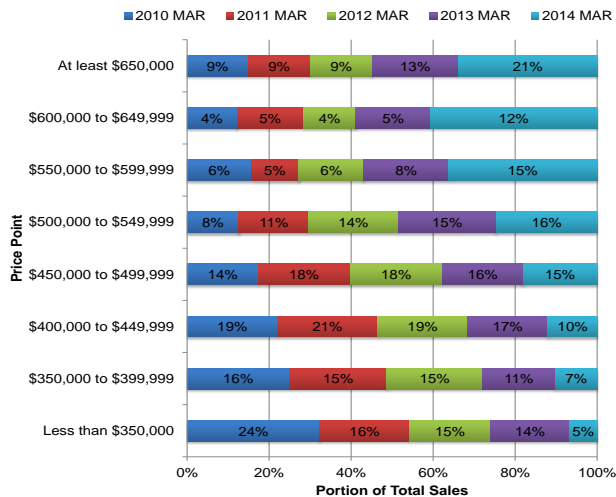
This pattern of growth is expected to continue in the long term with the population expected to grow by 50 per cent. The increase in population will be predominately fueled by the government investing in making Liverpool a satellite city for the greater Sydney area.



“LIVERPOOL’S POPULATION IS EXPECTED TO DOUBLE BY 2031 WHICH SHOULD SEE PROPERTY VALUES CLIMB”

- Harrison Hall, PRDnationwide Research Analyst

Liverpool House Price Point Chart

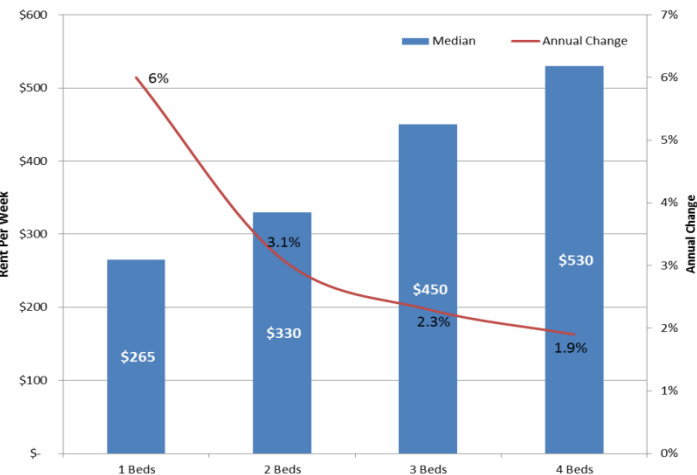


The Liverpool price point chart indicates the shifts in house prices across the area over the past five years. Overall the lower price points are shrinking, the middle of the market is remaining level while the higher of the market is increasing in popularity.

The price point that dropped the most in activity was the \$350,000 and below range which dropped 19 per cent since 2010. This is due to affordable stock increasing in value after increases in demand. This results in properties being pushed into higher price points.

At the \$450,000 plus range the market has been bullish since 2010. The price point that has increased the most was the \$650,000 range which over five years has grown a positive 7 per cent. The mid range of the market has also reported growth however at a lower rate.

Liverpool Rental Analysis

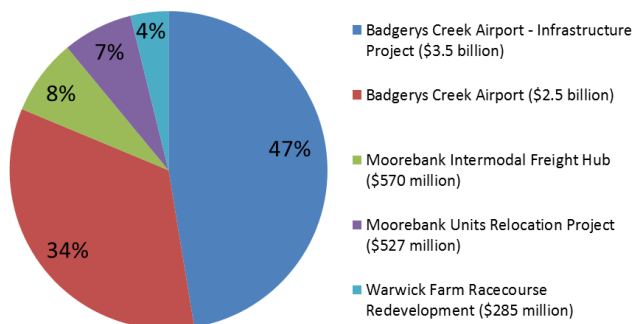


The metro Liverpool rental market, similar to the Liverpool housing market has recorded reasonable growth recently. As at March 2014 median rents registered \$390 per week which is a rise 3.3 per cent over the previous year.

The strongest growth can be found in the one bedroom market which increased from 6 per cent since March 2013. The one bedroom market offers a significantly lower entry point than other property types which has fuelled demand.

The rental data indicates an approximate yield of 4.1 per cent for houses and 5.4 per cent for units. This is typical of Western Sydney which makes it a solid investment particularly when considering capital growth opportunities available.

Liverpool Development Pipeline



Liverpool is already a well established city however there is continual investment in infrastructure and new residential dwellings which should see continual growth moving forward. Currently there is over \$8 billion worth of development in the pipeline with a healthy mix of infrastructure, commercial, industrial and residential developments planned or recently completed.

Highlights include the Badgerys Creek Airport and related Infrastructure development which will total around \$6 billion. This project is expected to create thousands of jobs and significantly improve the value of surrounding regions.

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