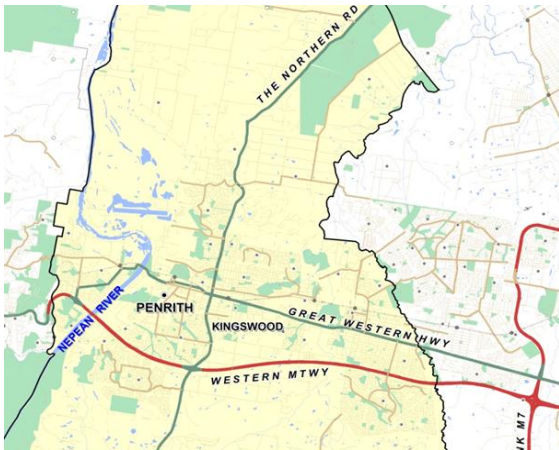




PROPERTY WATCH® REPORT

Penrith
Third Quarter 2014

PRD nationwide



Penrith LGA Regional Map

The following Property Watch report analyses the trends and performance of the Penrith region residential market. The Penrith region is made up of a combination of urban, suburban and semi-rural suburbs all located within the Penrith Local Government Area as highlighted in the adjacent Penrith Regional Map.

Penrith is located approximately 56 kilometers west of the Sydney CBD and is easily accessible thanks to a strong road and public transport network.

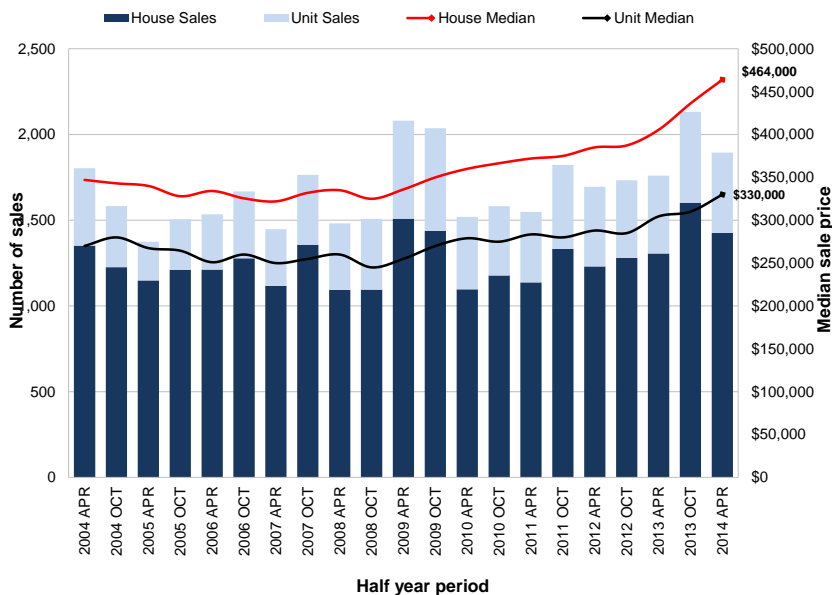
The area is currently experiencing strong demand from both owner occupiers and investors due to population increases, employment growth and spending on infrastructure. This Property Watch report will aim to further highlight the regions characteristics, analyse the market and forecast the future trends of the Penrith residential market.

House & Unit Sales Cycle

The Penrith property market has bucked national trends over the past 5 years and continually recorded strong growth. In the annual period to April 2014 the region recorded 3,027 transactions which represents an annual increase of 17 per cent. Meanwhile over the same period median prices have shown a rise of 14.4 per cent. Over 10 years median prices have increased at a bullish 3 per cent per annum.

The unit market has trended on a similar pattern of growth with an increase in transactional activity of 32 per cent and an increase in median value of 10.1 per cent in since April 2013. Over a 10 year period prices have recorded a stable 2 per cent average growth rate.

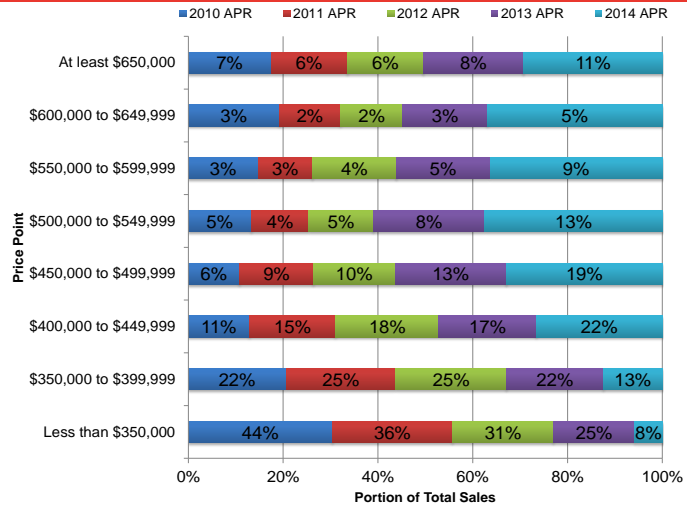
The pattern of growth is expected to continue thanks to a combination of a \$7.1 billion infrastructure pipeline and a predicted 40 per cent increase in population by 2031.



“THE PENRITH MARKET IS RUNNING HOT IN ALL SECTORS”

- Darren Latty, Managing Director, PRDnationwide Penrith

Penrith House Price Point Chart

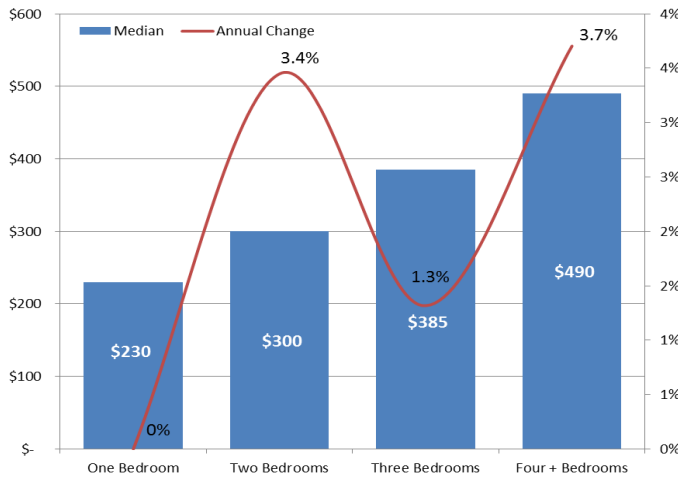


The Penrith price point chart indicates the shifts in house prices across the area over the past five years. Overall the lower price points are shrinking, the middle of the market is growing strongly while the higher end of the market is also showing positive signs.

The price point that dropped the most in activity was the \$350,000 and below range which dropped 36 per cent since 2010. The decline is due to affordable stock rising in value after increases in demand from investors which has resulted in properties being pushed into higher price points.

The price point that increased the most was the \$450,000 to \$499,000 range which over five years has grown a positive 13 per cent. All of the other higher price points also reported growth however at a lower rate.

Penrith Rental Analysis



The metro Penrith rental market, similar to Penrith's median sales prices, has recorded sound growth recently. As at March 2014 median rents registered \$343 per week which is a rise 2.4 per cent over the past 12 months.

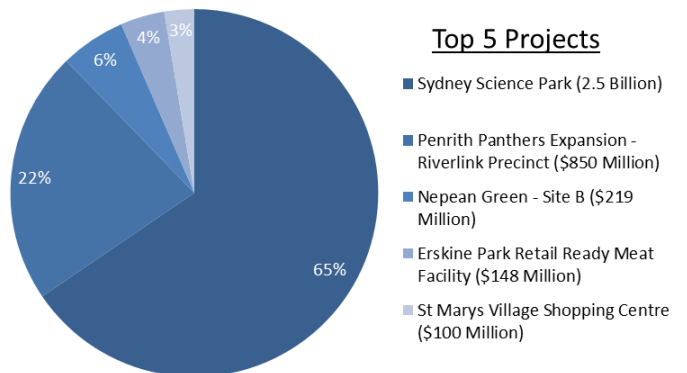
The strongest growth can be found in the four+ bedroom market which increased by 3.7 per cent since March 2013. It is believed that four+ bedrooms have increased in popularity due to a rise in family households in the region.

The rental data indicates an approximate yield of 4.5 per cent which is typical of the greater Sydney area. The mix of reasonable yield and high capital growth prospects should make it a solid investment opportunity particularly over the medium to long term.

Penrith is already well established however there is continual investment in new projects which should help fuel growth moving forward. Currently there is over \$7.1 billion worth of development in the pipeline with a healthy mix of public infrastructure, commercial and residential developments planned or recently completed.

Highlights include a \$2.5 billion Sydney Science Park which will be spread over 287 hectares and will include a research & development area, education facilities, student accommodation, a town center and other related infrastructure. To add to the lifestyle there is an \$850 million entertainment and leisure precinct planned on the Penrith Panthers site planned.

Penrith Development Pipeline



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