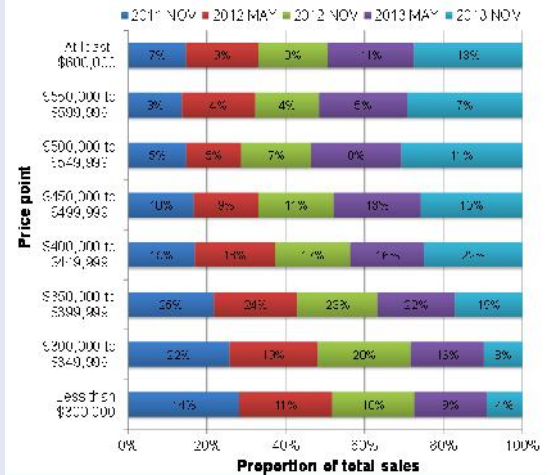


The following Property Watch report is the result of an investigation into the historic and current market trends of the Penrith LGA. Governed by the Penrith City Council the area covers 40,400 hectares and is home to approximately 187,000 people. Set on the western fringe of the Sydney metropolitan area, the Penrith LGA is located 54 kilometres from the Sydney CBD.

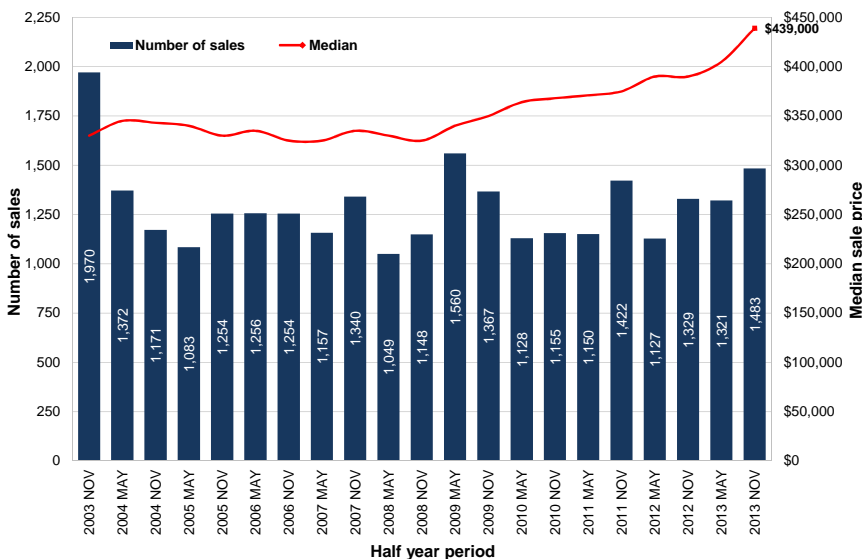
The Penrith LGA housing market has witnessed a remarkable 12.6 per cent growth phase over the past 12 months to November 2013 which is directly reacting to the shift in price point which has been spurred by increased number of buyers in the market forcing a noticeable shift toward the higher end.

The House Sales Cycle graph highlighted consistent sales activity with over 1,000 sales per half yearly period since 2003. Observing the five year sales cycle it's evident that the Penrith LGA has performed better than most Sydney regions registering 5.3 per cent annual sales incline paired with a 6.2 per cent annual median price increase to close the November 2013 half year period with 1483 transactions recording a \$439,000 median price.

House Price Point Chart



Penrith LGA House Sales Cycle



Quick Stats Q4 2013

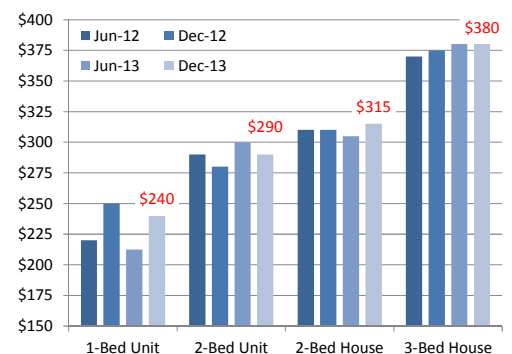
House Median Price:	\$439,000
Annual Price Growth:	12.6%
Annual Sales Growth:	11.6%
Unit Median Price:	\$315,000
Annual Price Growth:	8.6%
Annual Sales Growth:	9.9%
Vacant Land Median Price:	\$275,000
Annual Price Growth:	6.6%
Annual Sales Growth:	61.7%

The Penrith LGA median rental price has idled over the previous 24 months with strong and comparably affordable house and unit pricing paired with a dramatic increase in land sales, landlords are enticing the rental market with consistent rental price in what is now a very competitive market.

Two bedroom unit and houses have both recorded zero change in median asking rent since the period ending June 2012 while the 1-bedroom unit and 3-bedroom houses have witnessed marginal increases of \$20/wk and \$10/wk respectively.

In January 2014, the Penrith market registered a vacancy rate of 1.1%, suggesting with the more affordable product the region is shaping as one of the strongest markets in Sydney.

Median Rent – Penrith LGA

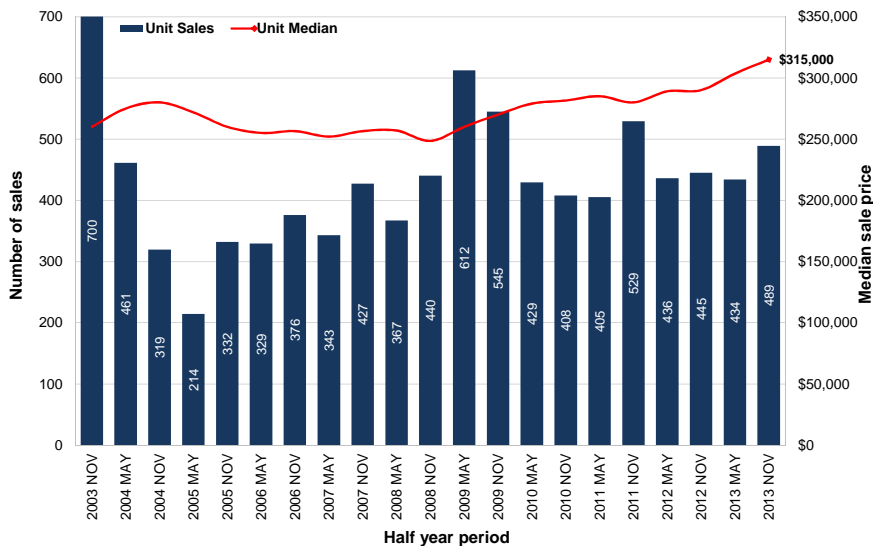


The Penrith LGA unit market has been historically consistent with the housing market albeit one-third the size. The stable result is proof of the sustained demand for accommodation within the Penrith LGA – consistent population growth and development opportunities have led to strong appreciation of 4.9 per cent per annum over the past five years.

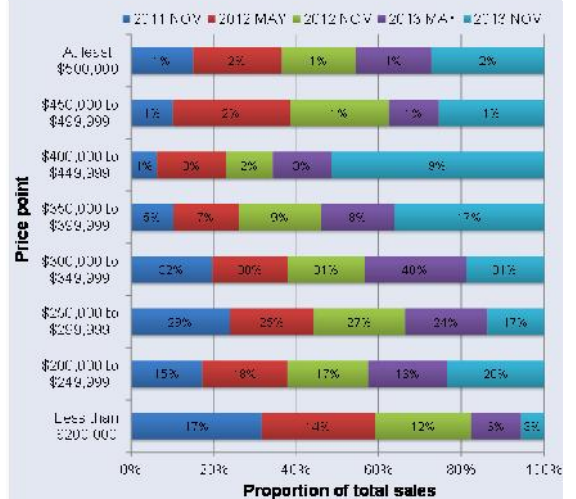
Observing the unit price point chart, it becomes evident that the positive shift in the previous 24 months is largely due to the decrease in entry-level price point, down 14 per cent on November 2011. Pair this with increases in all unit markets greater than \$350,000 has resulted in the median price to close on an upward trend at \$316,000 ending November 2013.



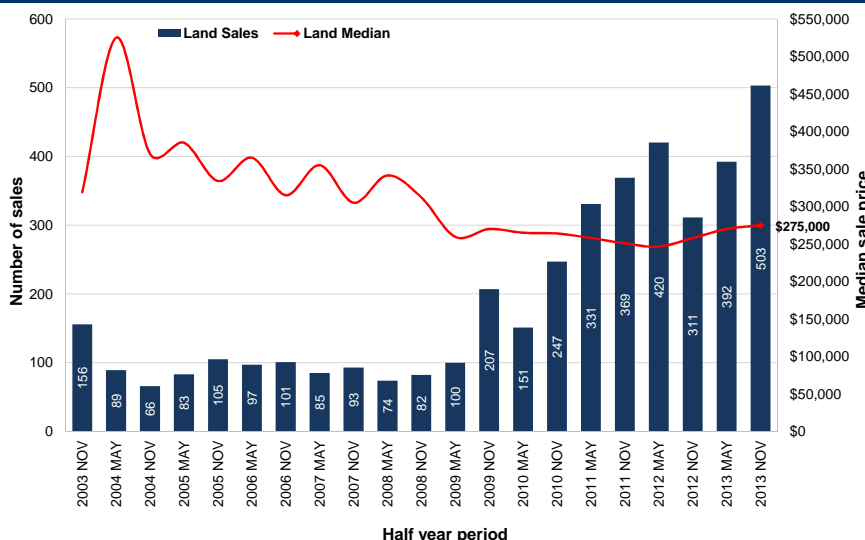
Penrith LGA Unit Sales Cycle



Penrith LGA Unit Price Point Chart



Penrith LGA Land Sales Cycle



The Penrith City Council is continuing to observe the positive outcome from the rural lands strategy implemented in 2003 which made recommendations for the strategic direction and management of rural land in Penrith.

In 2013, the Lend Lease masterplan suburb of Jordan Springs recorded 333 vacant land sales, making up 42 per cent of the total land sales for the Penrith LGA. Emerging fringe suburbs of Cadden and Glenmore Park similarly contributed to the annual 61.7% land sales increase with 18 and 17 per cent of sales respectively.

As we see a number of the Penrith LGA larger land developments establishing strong sales velocity, the expectation is that median price will continue to plateau for the remainder of 2014.