

SYDNEY HOTSPOTS 2013

Property Watch®

PRD nationwide



SYDNEY MARKET INDICATORS

Change from Last	Year	Half Year
HOUSE SALES	↓	↓
HOUSE MEDIAN	↑	↑
HOUSE RENTS	↔	↓
UNIT SALES	↓	↓
UNIT MEDIAN	↑	↑
UNIT RENTS	↑	↔

The house and unit indicators depicted above are based on the year ending October 2012. Rental indicators relate to the year ending September 2012.

KEY HIGHLIGHTS

- Greater Sydney's median house price increased by 6.1% in the year to October 2012, while that of a unit appreciated by 2.8%.
- Our top picks for 2012 were Redfern (House) and Balgowlah (units), increasing by 13.2% and 13.3% respectively.
- The team expects small increases in price in 2013 as buyers' cash positions improve.

Scope

The purpose of this report is to assess the suburbs of Sydney that have the potential to perform over the coming year. Suburbs have been chosen based on current pricing levels, infrastructure, property trends, access to amenities and other factors.

What happened in 2012?

Sydney proved to be one of the most resilient residential property markets in Australia. The Greater Sydney area recorded annual growth in house and unit median price despite a fall in activity. The median house price increased by 6.1 per cent in the year to October 2012, while that of a unit appreciated by 2.8 per cent.

In 2012 PRDnationwide Research noticed a shift toward strata-titled dwellings, and in particular an increase in demand for properties toward the bottom end of the market. Reviewing our picks for 2012 revealed a mostly positive image.

Topping the PRDnationwide performer list for 2012 were Redfern (House) and Balgowlah (units), increasing by 13.2 per cent and 13.3 per cent respectively. The median unit price in Ryde firmed with the registration of off-the-plan sales. The suburb recorded a 12 month growth of 9.5 per cent to a median of \$536,500.

Hotspot picks for 2013

The team expects small increases in price in 2013 as buyers' cash positions improve. Low interest rates coupled with stable or rising rents will bring more upgraders and investors into the market. Units will continue to dominate the sales chart, with new developments in middle and outer rings offering affordable product to first home buyers and steady returns to investors. Other factors that assist us in determining the most likely suburbs to experience strong capital growth in 2013 are:

Population growth – increases demand for properties and generally puts upward pressure on property prices.

Infrastructure and investment - supports current and future increases in population and the development of amenities.

Employment opportunities - these include proximity to employment nodes or potential jobs growth.

Best performing suburbs 2012

Suburb *	Dwelling type	Median price 2011	Median price 2012	12 month change
Bronte	House	\$1,704,000	\$2,126,000	24.8%
Darlinghurst	House	\$906,000	\$1,130,000	24.7%
Schofields	House	\$450,000	\$560,000	24.4%
Spring Farm	House	\$375,000	\$440,000	17.3%
Riverwood	House	\$518,500	\$605,000	16.7%
Sydney Metro	House	\$641,000	\$680,000	6.1%
Double Bay	Unit	\$722,500	\$920,000	27.3%
Kirribilli	Unit	\$670,000	\$835,000	24.6%
Mona Vale	Unit	\$589,000	\$730,000	23.9%
Punchbowl	Unit	\$272,000	\$321,000	18.0%
St Leonards	Unit	\$533,000	\$621,000	16.5%
Sydney Metro	Unit	\$482,500	\$496,000	2.8%

* Suburbs with less than 25 transactions per half year period were omitted. Table prepared by PRDnationwide Research. Source: PDS

Hotspots 2013

House

Botany (houses / townhouses)

Approx. distance from CBD 9 km

Median house price: \$842,500

The Botany area is experiencing improved shipping-related infrastructure and a strong residential construction activity. The suburb's location near Botany Bay and Sydney Airport and its proximity to well-known beaches is attracting residents who seek to balance employment opportunities with lifestyle.

Merrylands

Approx. distance from CBD 21 km

Median house price: \$478,000

Recently-completed renovations to the Stockland Shopping Centre enhanced the retail experience and upgraded local streets and car parking facilities. The upgrade did not filter to house prices which have softened in the 12 months to October 2012 while prices in neighbouring suburbs firmed. This suburb will suit an investor or owner occupier who can see through the malign influence of recent news coverage.

Glenwood

Approx. distance from CBD 29 km

Median house price: \$600,000

The suburb is located close to the Norwest Business Park and Blacktown town centre. The M7 provides links to Sydney, while Old Windsor Road connects the suburb to significant employment areas in the North West Growth Area. Glenwood will benefit from a new train station to be built as part of the North West Rail Link, and from new bus T-Way connections to the Parramatta and Blacktown CBDs.

Unit

Mortdale (2 bedroom)

Approx. distance from CBD 7 km

Median unit price: \$415,000

Mortdale is an established suburb located in the St George region and supported by a regular train service to the city. The suburb's older unit stock creates an opportunity for investors who are looking for solid rental returns and first home buyers who seek a central location at affordable prices. Unit prices recorded a small increase in the 12 months to October but are still priced below neighbouring suburbs.

Newtown (studio / 1 bedroom)

Approx. distance from CBD 7 km

Median unit price: \$458,000

Small apartments are located close to the Newtown shopping strip and within walking distance to the University of Sydney. Regular public transport services and good bike lanes and car sharing facilities take away the need to own a car. Gross returns exceed six per cent, reducing the finance outlay for investors.

Vacant Land

Edmondson Park

Approx. distance from CBD 33 km

Median land price: \$283,500

Edmondson Park has a potential for 6,000 new dwellings. Its location in Sydney's South West Growth Centre ensures that shopping and employment hubs are already designed to support the growing population. A new train station is expected to open in 2016, serviced by the Airport & East Hills and South Lines.

North Penrith

Approx. distance from CBD 49 km

Median land price: TBA

Thornton is a new transport-oriented estate located on the northern side of Penrith railway station. While prices have not yet been released, strong interest is expected for this circa 1,000 medium-density dwellings site. New developments in and around the Penrith CBD will ensure long term capital growth.