

LIVERPOOL CITY

Property Watch®



MARKET OVERVIEW

The following Property Watch investigates Liverpool City's residential market conditions. The area, corresponding to the 2170 postcode within the Liverpool local government area, has experienced an improved level of enquiry since August 2012, with an increase in demand for medium density accommodation.

HOUSES

Recent evidence points to a growing number of pre-approved buyers in the market. Soft conditions over the past 24 months increased the cash position of buyers who are now ready to purchase. The Sales Cycle graph shows a decline in activity since March 2010, with an average of 430 house transactions per half year period. Activity for the six months to September fell below 400 transactions, suggesting a further softening in buyers' confidence in the first three quarters of the year. However, a recovery in the last quarter of 2012 is evidenced, with increased enquiry from first and second home buyers and investors. Enquiries from first home buyers increased, with low interest rates and government incentives making the purchase of new properties less taxing.

Most houses transacted in the \$400,000 to \$499,999 price point, accounting for 36% of sales in the September 2012 six month period. The share of transactions declined from 41% in September 2011, while growth in the share of houses transacting between \$500,000 and \$599,000 led to a 1.2% increase in the median price over the 12 month period. Most houses transacted in Prestons (24%), Casula (66%) and Liverpool (13%).

MARKET INDICATORS

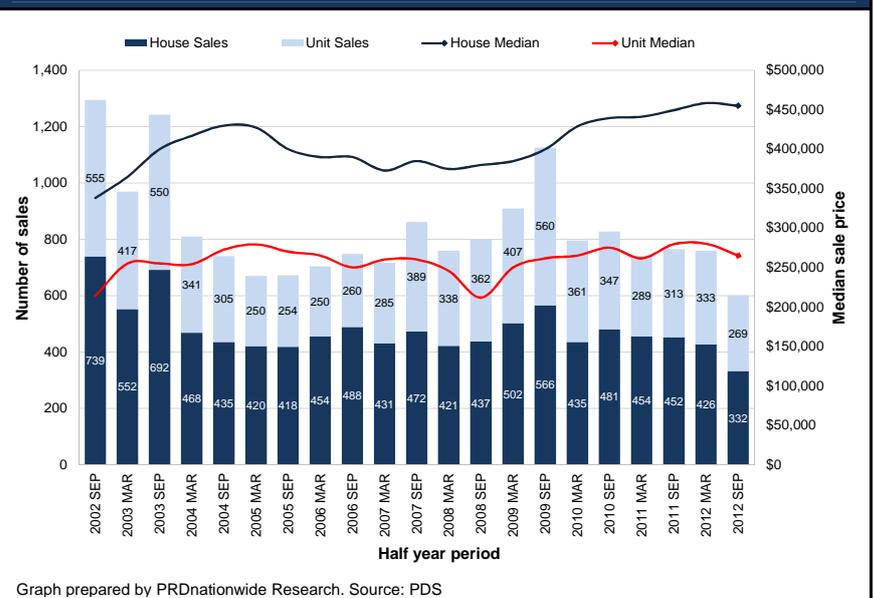
Change from Last	Year	Half Year
HOUSE SALES	↓	↓
HOUSE MEDIAN	↑	↓
HOUSE RENTS	↓	↓
UNIT SALES	↓	↓
UNIT MEDIAN	↓	↓
UNIT RENTS	↑	↑

The indicators depicted above are based on the year ending September 2012.

KEY HIGHLIGHTS

- A recovery in the last quarter of 2012 was evidenced, with increased enquiry from first and second home buyers and investors.
- The Liverpool LGA recorded one of the highest increases in the median rent price in the Greater Sydney area over the five years to September 2012.

LIVERPOOL LGA HOUSE & UNIT SALES CYCLE



Graph prepared by PRDnationwide Research. Source: PDS

HOUSE PRICE POINTS

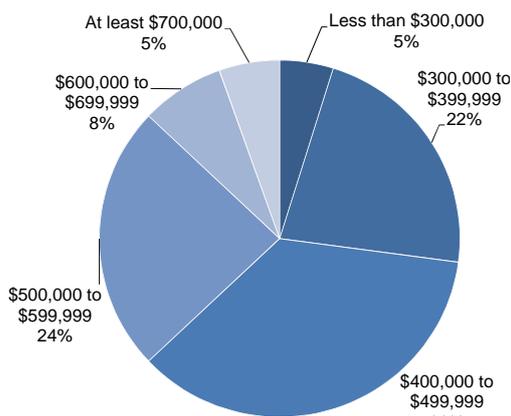


Chart prepared by PRDnationwide Research. Source: PDS

UNIT PRICE POINTS

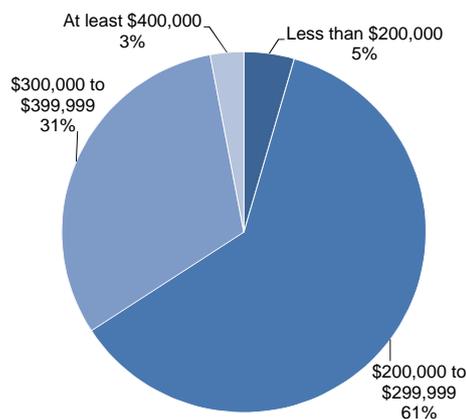


Chart prepared by PRDnationwide Research. Source: PDS

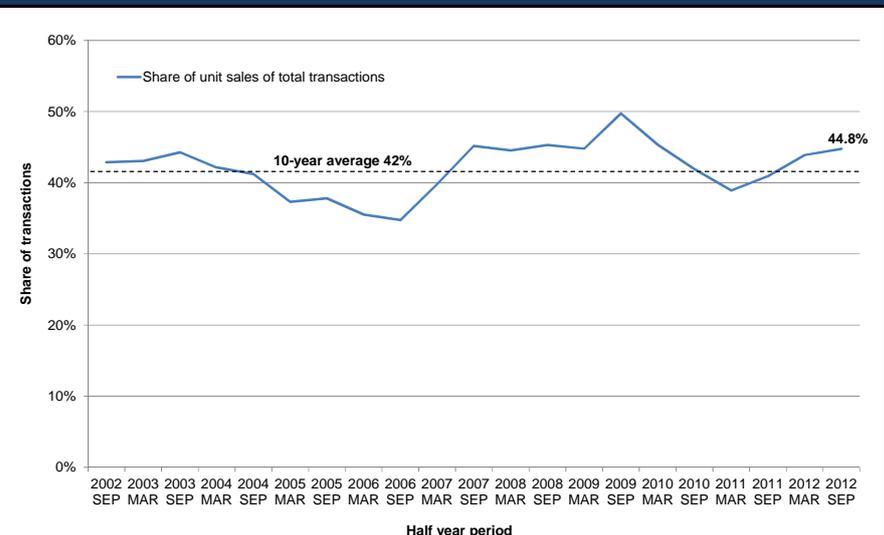
UNITS

Medium-density development has increased in the Liverpool City area between 2006 and 2011. Buyers were attracted to units and townhouses offering affordable accommodation often in close location to transport and other amenities. The number of townhouses and other semi-detached product increased by 13% over the period, compared to 1.6% for units and a small decline in the number of houses.

Most units and townhouses transacted in the \$200,000 to \$299,000 price range, accounting for 61% of sales. The share of units in this price bracket increase by seven per cent since September 2011, while sales in all other price points declined. Townhouses are currently advertised between \$279,000 in Lurnea and \$469,000 in Liverpool, while units in Liverpool were advertised from \$230,000 to \$425,000.

Units exhibited shorter selling periods and were in higher demand from tenants. The Unit Share of Total Transactions graph below shows the share of unit transactions breaking through the long term average in 2012. The March and September 2012 figures closed above the ten-year average of 42%.

LIVERPOOL LGA – UNIT SHARE OF TOTAL TRANSACTIONS



Graph prepared by PRDnationwide Research. Source: PDS

HOUSE & UNIT RENT

	2012		Change in median
	No. of listings	Median rent	
House rents			
Chipping Norton	27	\$565	14%
Moorebank	31	\$480	5%
Liverpool	52	\$380	3%
Prestons	23	\$460	2%
Lurnea	22	\$400	0%
Casula	39	\$440	-7%
Unit rents			
Casula	11	\$410	3%
Liverpool	142	\$328	2%
Chipping Norton	23	\$380	1%

Table prepared by PRDnationwide Research. Source: RP Data

THE INVESTMENT MARKET

The Liverpool local government area recorded one of the highest increases in the median rent price in the Greater Sydney area over the five years to September 2012. The municipality averaged growth of 9.2% per annum for a two-bedroom apartment. More recently, the median rent for a two-bedroom apartment increased by 3.3% in the 12 months to September, while the rent for a three-bedroom house declined by 4.8%. The figures further represent the decline in demand for houses.

The Liverpool City market exhibited short supply of rental properties, leading to a decline in vacancy rates and short let up periods. The rental vacancy rate has declined to below two per cent over the course of 2012, with figures below three per cent representing an undersupplied market. Most rental properties remained available for rent between ten days and two weeks, with variations stemming from the quality and location of the property. Rental properties in close proximity to the Liverpool town centre attracted investors looking for existing stock around the suburb's transportation, health and shopping precincts.