

## PROPERTY WATCH®

First Quarter 2011

## Lower North Shore – Chatswood Area

## Scope

The following Property Watch is the result of an investigation into the house and unit markets of the lower north shore suburbs of Chatswood, Willoughby and the surrounding suburbs.

## Area Characteristics

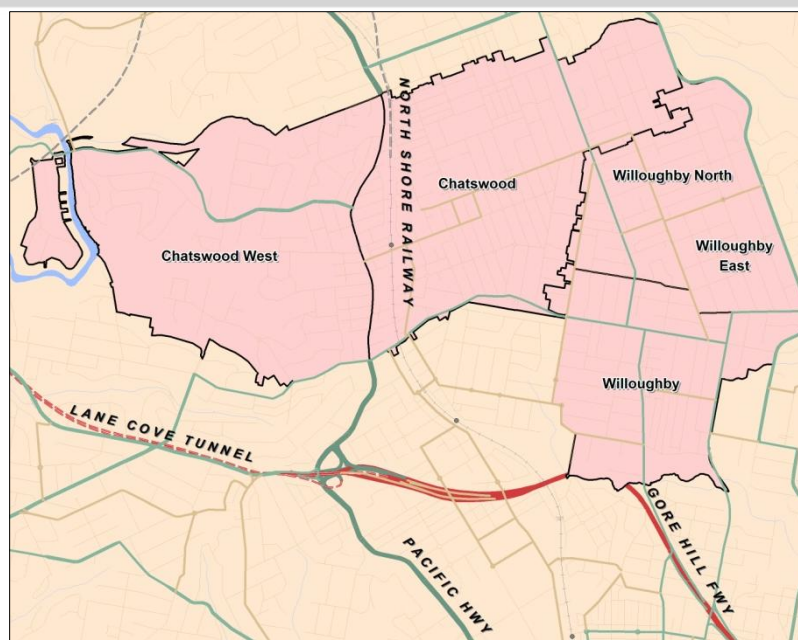
The Chatswood region is located approximately 8.5 kilometres (Willoughby) and 11 kilometres (Chatswood) north of the Sydney CBD and bounded by the Ku-Ring-Gai Council to the north. The area is easily accessible by the Gore Hill Freeway and the Pacific Highway, with regular rail services to Chatswood Station. Chatswood is renowned as the major regional centre, with the Westfield and Chatswood Chase shopping centres catering for local and intercity population. To the east is the suburb of Willoughby, combining low and medium density houses with parks and strip-mall style shopping facilities.

## Unit Market

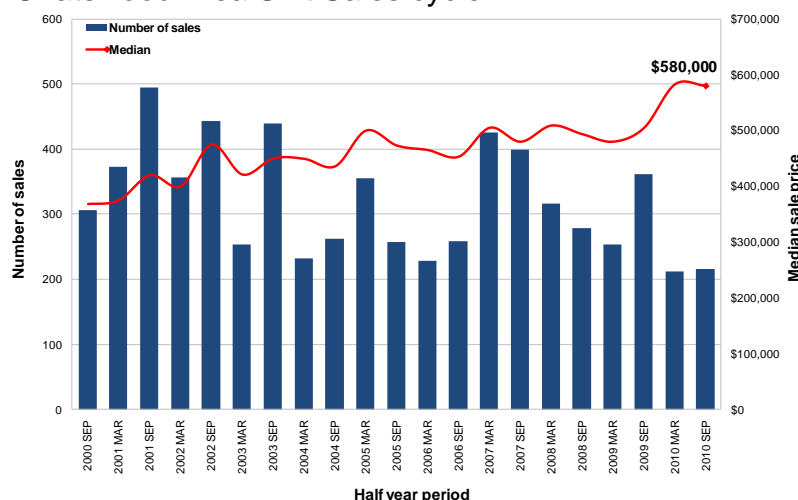
Unit type product made up 61 per cent of dwellings in Chatswood and 31 per cent in Willoughby. The September 2010 half year period recorded a median unit price of \$580,000, representing strong 12 month growth of 14.9 per cent, while the longer term average growth remained at a stable 4.2 per cent per annum. Despite the increase in median price, activity softened from 2009 to register 216 transactions for the September 2010 six month period. A price point analysis revealed that 31 per cent of units transacted in the \$500,000 to \$599,999 price bracket. Towards the top end units selling for \$1,000,000 plus accounted for four per cent of the market, while at the bottom end of the market units selling below \$400,000 accounted for seven per cent. Most transactions occurred in Chatswood, where increasing sales in this already popular suburb created upward pressure on prices. The suburb accounted for 82 per cent of the market while Willoughby and North Willoughby made up the remaining 18 per cent.

## House Market

Separate houses are a popular choice in Willoughby, making up 58 per cent of dwellings. High family income, combined with close proximity to the CBD, supported the increase in median house price closing the September 2010 half year at \$1,200,500. A growth of 6.9 per cent was recorded in the 12 months to September 2010, while the five year growth of 7.1 per cent per annum is a strong indication of the long term strength of the market. Sales activity remained soft with 142 house transactions recorded for the six month period to September 2010, a decline of 22 per cent from 2009. This was in line with the rest of the Sydney market. A price point analysis revealed that most houses transacted in the \$1,200,000 to \$1,349,999 price bracket, accounting for 19 per cent of sales. At the top end nine per cent of houses transacted for \$1,800,000 plus, while towards the bottom end of the market houses selling below \$900,000 accounted for 14 per cent. PRDnationwide conducted a capital growth analysis to measure the individual growth experienced by vendors who exited the market during the September 2010 half year. The analysis revealed an average growth of 7.7 per cent per annum was achieved, with an average holding period of five years.

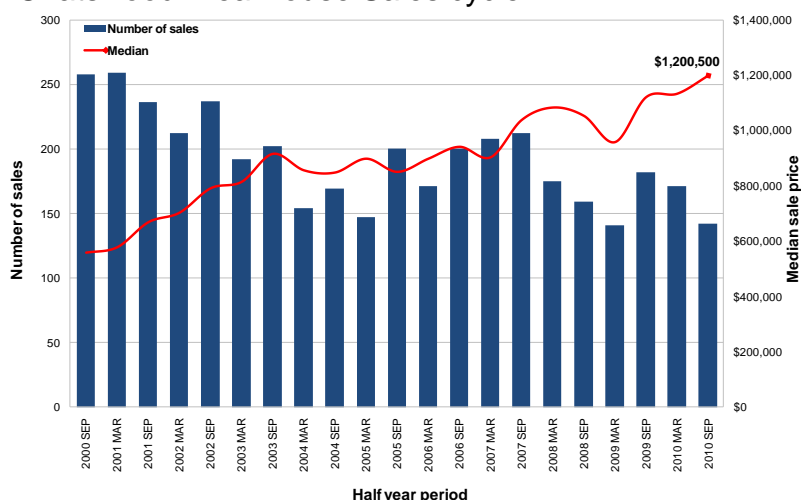


## Chatswood Area Unit Sales cycle



Prepared by PRDnationwide Research. Source: PDS Live

## Chatswood Area House Sales cycle



Prepared by PRDnationwide Research. Source: PDS Live