

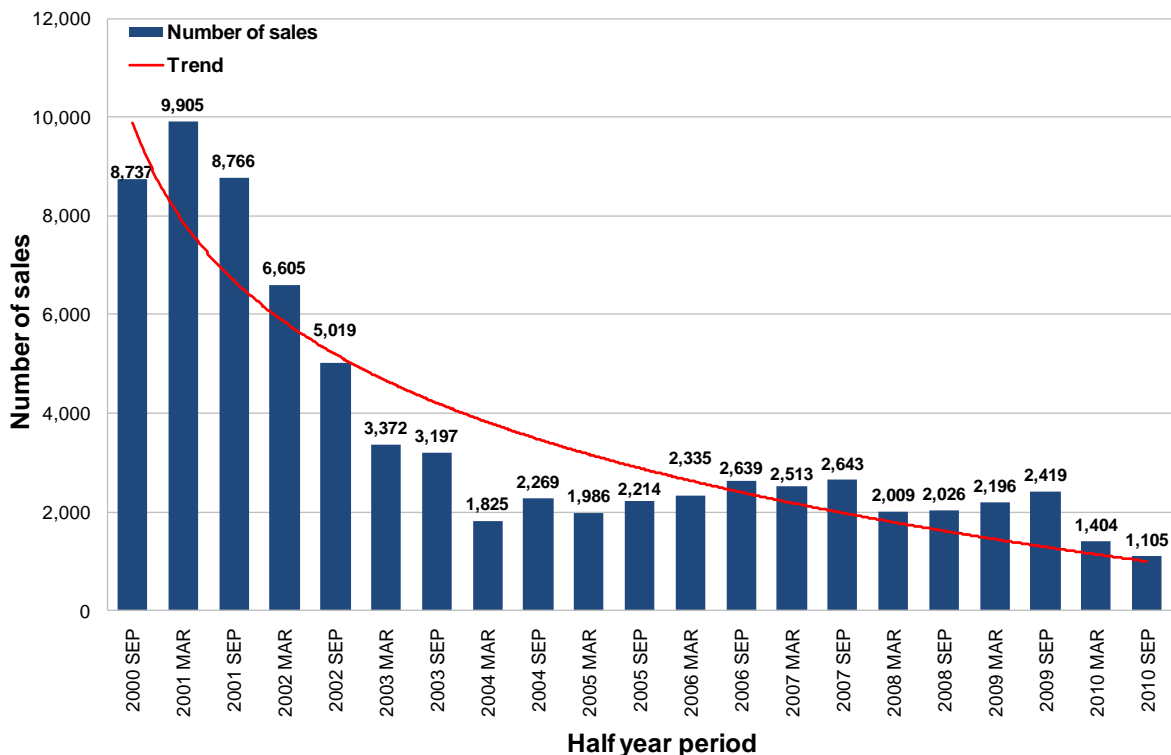
# Sydney's Middle Ring Affordable Houses Report

First Quarter | 2011

**Middle Ring House Sales Activity below \$500,000**

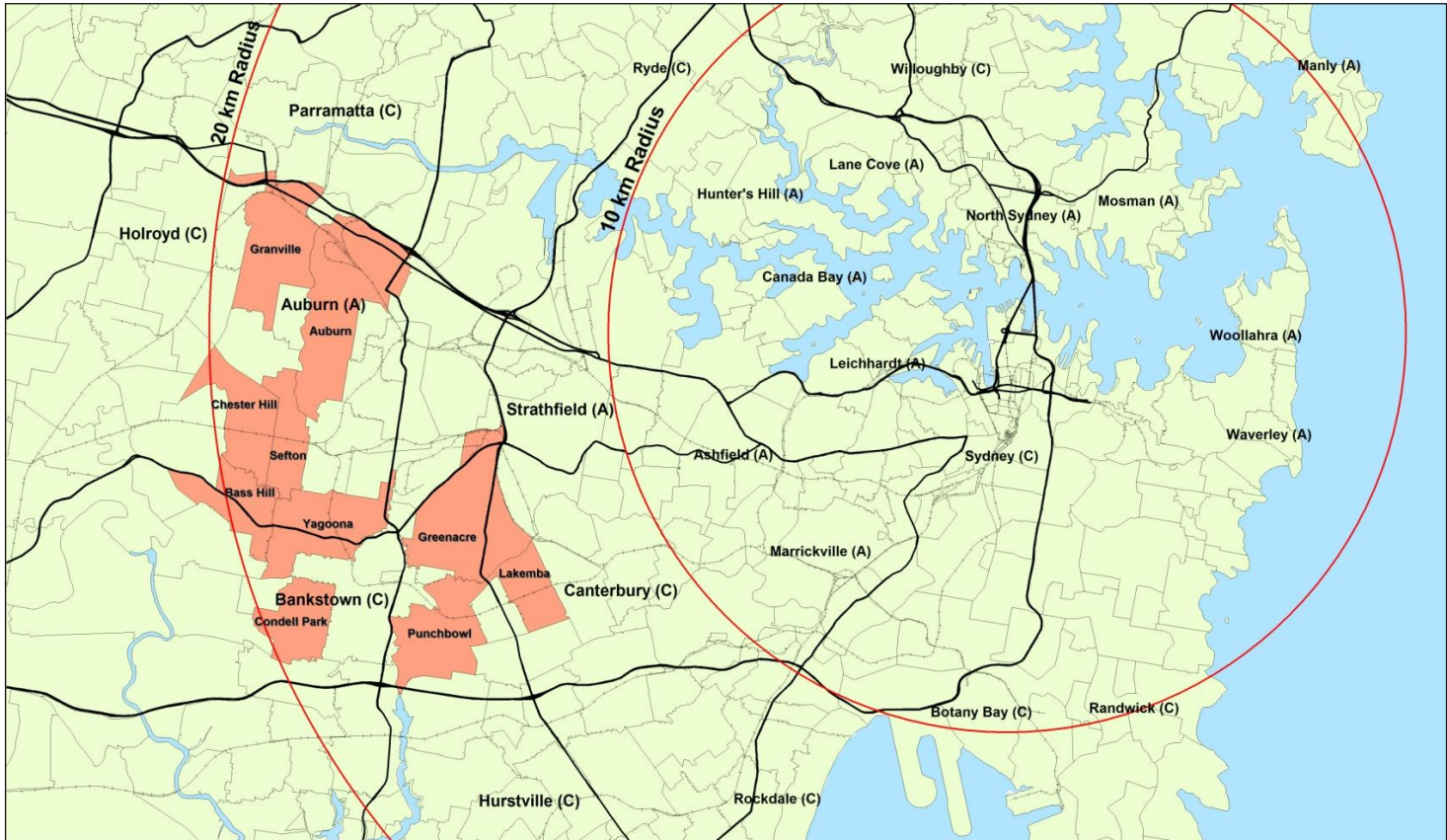
- The Sydney Metropolitan Area experienced significant house price increases in 2010, buoyed by second and third home buyers upgrading their residences. This resulted in a decline of 54 per cent in the number of house transactions below \$500,000 from the September 2009 to September 2010 half year period. With affordable house stock becoming scarce and higher ongoing costs associated with the ownership of strata titled dwellings, many potential buyers are now becoming long term tenants facing ever increasing rent prices.
- In light of repeated reports about Sydney's house affordability and the demise of the 'Australian Dream' of owning one's own piece of land, PRDnationwide Research created this report to identify the areas within Sydney's Middle Ring (20 km radius from the CBD) where affordable house stock can still be found. Suburbs with little activity below \$500,000 were not included in this report in an effort to filter out discrepancies which can alter the final market figures.
- In total 1,105 transactions below \$500,000 were recorded during the September 2010 half year period, representing a decline of 50 per cent from 2,214 house sales during the same period in 2005 and an 87 per cent decrease from the September 2000 figure. This highlights the sharp decline in affordable housing in Sydney's Middle Ring.
- The top ten suburbs which recorded the highest house sales activity below \$500,000 are supported by road transport links to the growing business centres of Parramatta and Bankstown. Many also have a direct rail link to the Sydney Central Business District with an average travel time of 35 minutes to Sydney's Central Station.

**Sydney's Middle Ring House Sales Activity below \$500,000**



Prepared by PRDnationwide Research. Source: PDS Live

**Sydney's Middle Ring Suburbs Recording below \$500,000 House Sales Activity**



Inner Ring = 10km radius  
 Middle Ring = 20km radius

**Sydney's Middle Ring Suburbs - Highest House Sales Activity below \$500,000**

Rank	Suburb	September 2010 Half Year			September 2009 Half Year			Change in Number of Transactions under \$500k	Median Price as at September 2010	One Year Change in Median Price
		Transactions under \$500k	Total Transactions	Percentage of Total Transactions	Transactions under \$500k	Total Transactions	Percentage of Total Transactions			
1	YAGOONA	62	96	65%	107	123	87%	-42%	\$457,000	11.7%
2	AUBURN	60	91	66%	95	125	76%	-37%	\$459,000	8.0%
3	CHESTER HILL	53	64	83%	82	90	91%	-35%	\$429,500	6.0%
4	GREENACRE	52	113	46%	129	179	72%	-60%	\$500,000	11.1%
5	PUNCHBOWL	47	87	54%	114	137	83%	-59%	\$495,000	17.9%
6	BASS HILL	45	66	68%	57	70	81%	-21%	\$465,000	10.7%
7	GRANVILLE	41	50	82%	69	82	84%	-41%	\$435,500	16.1%
8	SEFTON	29	42	69%	42	46	91%	-31%	\$450,500	11.9%
9	CONDELL PARK	28	59	47%	52	75	69%	-46%	\$502,000	11.6%
10	LAKEMBA	23	39	59%	36	42	86%	-36%	\$483,000	9.8%

**Sydney's Middle Ring LGAs - Highest Sales Activity below \$500,000**

Rank	LGA	House Transactions under \$500k	Total House Transactions	Percentage of Total Transactions	Median Price as at September 2010	Median Price as at September 2009	One Year Change in Median Price	Five Year Change in Median Price
1	Bankstown (C)	375	1039	36%	\$510,000	\$450,000	13.3%	3.5%
2	Auburn (A)	167	347	48%	\$500,000	\$448,000	11.6%	2.8%
3	Canterbury (C)	124	585	21%	\$651,000	\$528,000	23.3%	5.6%
4	Parramatta (C)	99	740	13%	\$546,500	\$490,000	11.5%	4.7%
5	Rockdale (C)	34	406	8%	\$730,000	\$620,000	17.7%	4.8%

Tables prepared by PRDnationwide Research. Source: PDS Live

## Top Ten Middle Ring Suburbs Recording House Sales Activity below \$500,000

- Yagoona experienced the highest number of house sales below \$500,000, recording 62 transactions for the six month period to September 2010, representing 65 per cent of the total sales in the suburb during the period. The predominantly residential suburb of Yagoona is located approximately 16 kilometres southwest of the Sydney CBD with a commercial area along the Hume Highway, the main arterial road for the region. Yagoona is also serviced by the Bankstown Rail Line which offers a 38 minute train ride to Sydney's Central Station.
- Chester Hill recorded 53 transactions below \$500,000 for the six months to September 2010, accounting for 83 per cent of the house transactions for the suburb during the period. Chester Hill is located in the Local Government Area of Bankstown, 19 kilometres from Sydney's CBD. Despite an array of amenities including the Chester Hills Shopping Centre and train station, the suburb has managed to maintain a high level of affordability recording a median house price of \$429,500. This represents a growth of 6 per cent in the twelve months to September 2010.
- Of the top ten suburbs, Punchbowl experienced the highest growth in the median house price for the year to September 2010. The suburb is well serviced by both rail and road, and its proximity to Bankstown City Centre helped it achieve a median house price of \$495,000 as at September 2010, representing a significant growth of 17.9 per cent from the September 2009 median price of \$420,000.
- An affordability comparison between the September 2010 half year and the same period in 2009 reveals an average decrease of 41 per cent in transactions below \$500,000 for the top ten suburbs.
- Greenacre recorded the sharpest change in the number of transactions below \$500,000 recording a drop of 77 transactions or 60 per cent from the September 2009 half year figure of 179, to 52 transactions in the equivalent period in 2010. Consequently the suburb experienced an 11.1 per cent increase in the median house price to a figure of \$500,000 in September 2010.
- The most affordable Local Government Areas (LGA) were Bankstown, Auburn, Canterbury, Parramatta and Rockdale. In the Bankstown LGA, 36 per cent of the 1,039 house transactions recorded in the six months to September 2010 were below \$500,000, while the Auburn LGA registered 167 sales below \$500,000 representing 48 per cent of total house sales in the region.
- Limited affordability is apparent in Sydney's Middle Ring Suburbs, where movements between price brackets have significantly reduced the number of sales below \$500,000 even in suburbs that were considered affordable. In the short term it is expected that selected suburbs will continue to offer affordable houses, however, in the medium to long term, it is all but a certainty that affordability will only remain with outer suburbs houses or middle ring apartments.



## About PRDnationwide Research

**PRDnationwide's research division provides reliable, unbiased, and authoritative property research and consultancy to clients in metro and regional locations across Australia.**

Our extensive research capability and specialised approach ensures our clients can make the most informed and financially sound decisions about residential and commercial properties.

## Our Knowledge

**Access to accurate and objective research is the foundation of all good property decisions.**

As the first and only truly knowledge based property services company, PRDnationwide shares experience and knowledge to deliver innovative and effective solutions to our clients.

We have a unique approach that integrates people, experience, systems and technology to create meaningful business connections. We focus on understanding new issues impacting the property industry; such as the environment and sustainability, the economy, demographic and psychographic shifts, commercial and residential design; and forecast future implications around such issues based on historical data and fact.

## Our People

**Our research team is made up of highly qualified researchers who focus solely on property analysis.**

Skilled in deriving macro and micro quantitative information from multiple credible sources, we partner with clients to provide strategic advice and direction regarding property and market performance. We have the added advantage of sourcing valuable and factual qualitative market research in order to ensure our solutions are the most well considered and financially viable.

Our experts are highly sought after consultants for both corporate and government bodies and their advice has helped steer the direction of a number of property developments and secured successful outcomes for our clients.



## Our Services

**PRDnationwide provides a full range of property research services across all sectors and markets within Australia.**

We have the ability and systems to monitor market movements, demographic changes and property trends. We use our knowledge of market sizes, price structure and buyer profiles to identify opportunities for clients and provide market knowledge that is unbiased, thorough and reliable.

### Our services include:

- Advisory and consultancy
- Market Analysis including profiling and trends
- Primary qualitative and quantitative research
- Demographic and target market analysis
- Geographic information mapping
- Project Analysis including product and pricing recommendations
- Rental and investment return analysis
- Competitive project activity analysis
- Economic indicators
- Social research, including focus groups



## Our Research Reports

**Property Watch® Reports:** Over 130 snapshots of various areas around Australia, as well as specific reports on property topics of interest such as resale growth, infrastructure planning, luxury properties, and supply and demand.

**Highlight Reports:** Major annual reports examining the macro and micro economic information of larger catchment areas within select city, rural, and coastal regions.

**Quarterly Economic and Property Report:** Produced quarterly to examine economic and property trends nationally.

**Niche Reports:** Covering topical subjects such as mixed use and transit oriented developments, marina berths, waterfront property and luxury property markets.

**Suburb Profiles:** Detailed demographic and sales information for statistical local areas (suburbs) in Queensland, New South Wales, Victoria, and Australian Capital Territory.

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We set industry benchmarks when partnering with our clients to answer key questions and solve complex issues in the residential development arena.

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**We simplify your decision-making process by providing comprehensive information and recommendations including (but not limited to):**



**For more information on how we can assist you contact (07) 3229 3344.**

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Prepared by PRDnationwide Research. Source: NSW Housing, NSW Department of Planning, PDS Live and ABS.

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