



Sydney

Affordable & Liveable Property Guide

2nd Half 2018



SYDNEY AFFORDABLE & LIVEABLE PROPERTY GUIDE

2ND HALF 2018

PRD nationwide
RESEARCH

METHODOLOGY

This Sydney affordability and liveability guide analyses all suburbs within the Greater Sydney area, with selected affordable and liveable suburbs being within a 20km radius from Sydney CBD. The below factors were considered.

- **Property trends** – all suburbs considered will have a minimum of 10 transactions for statistical reliability purposes, with positive price growth between 2017 to 2018*.
- **Investment** – suburbs with a median price below the maximum sale price of state average home loan plus allocated premium percentage. In this report 160% (houses) and 60% (units) was added to the average New South Wales home loan, which was \$484,829** as at June 2018. This is below the 163% (houses) and 58% (units) premiums needed to purchase the Sydney Metro median price, thus more affordable for buyers.
- **Project development** – the suburb has a high total estimated value of future project development for 2nd half 2018. This ensures sustainable economic growth, having a positive effect on to the property market.
- **Liveability factors** – this includes ensuring low crime rate, availability of amenities within a 5km radius (i.e. schools, green space, public transport, shopping centres, and health care facilities), and an unemployment rate on par or lower in comparison to the state average (as determined by the Department of Jobs and Small Business, June Quarter 2018 release).

RECENT TOP PERFORMERS

Area	Suburb	Type	Median Price 2017	Median Price 2018*	Price Growth	Projects 2018***
Inner	Millers Point	House	\$4,750,000	\$5,000,000	5.3%	\$6.5M
	Alexandria	Unit	\$760,000	\$785,000	3.3%	\$109.5M
North	Pymble	House	\$2,300,000	\$2,325,000	1.1%	\$44.0M
	Lindfield	Unit	\$1,080,000	\$1,125,000	4.2%	\$41.0M
South	St Peters	House	\$1,170,000	\$1,215,000	3.8%	\$5.0B
	Botany	Unit	\$796,000	\$852,500	7.1%	\$98.9M
East	Bondi	House	\$2,468,750	\$2,550,000	3.3%	\$12.6M
	Bondi Junction	Unit	\$990,000	\$1,060,000	7.1%	\$88.2M
West	Bankstown	House	\$967,500	\$1,000,000	3.4%	\$132.2M
	Sydney Olympic Park	Unit	\$746,500	\$775,000	3.8%	\$436.8M

OVERVIEW

Between 2017 and 2018*, Sydney Metro median house prices have softened by -5.6%, whilst units have softened at a more moderate rate of -2.5%. This reflects a consecutive decline for unit median price, which presents incredible opportunities for buyers to break into Sydney's property market and capitalise on increasing affordability. Prospective houses buyers looking for affordable options should look toward Sydney's South Western suburbs. With \$15.3B worth of development in the pipeline or under construction in 2nd half 2018 there are many exciting projects that will improve Sydney's infrastructure, thus attracting commercial activity and population growth in the near future.

*Median price quoted captures sale transactions from 1st January 2018 to 30th September 2018, or Q3 2018.

**Average home loan figure is derived from June quarter 2018 Housing Affordability Report by Real Estate Institute of Australia and Adelaide Bank.

***Project development is based on aggregate of estimated construction value for residential, commercial, industrial, mixed use and infrastructure projects scheduled to commence in the 2nd half 2018.

*Key market indicators for sales are reflective of median price change between 2017 and 2018, with 2018 data being up to end of Q3 2018. Median rent is reflective of median price change between Q2 2017 and Q2 2018.



KEY MARKET INDICATORS SYDNEY METRO

Indicator	Market Variation [^]
House Sales	↓
House Median Price	↓
House Median Rent	↓
Unit Sales	↓
Unit Median Price	↓
Unit Median Rent	↓

KEY COMMENTS

The number of first home buyers in the state grew +68.8% in the 12 months to June 2018, continuing to signal a return towards a more sustainable market.

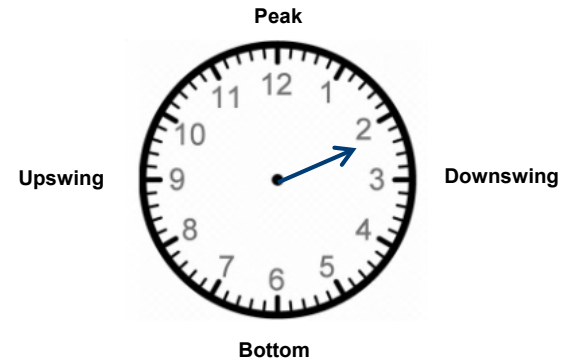
Highly affordable suburbs, those with a maximum house price of the average state loan plus a 135% deposit (as per Sydney Affordable and Liveable Property Guide 1st Half 2018) exist. 74 suburbs are within this price bracket, significantly more than the 8 identified in the previous report. This reinforces that the market is moving into a more affordable position for buyers.

Despite this, many of these suburbs fail to meet the liveability criteria set. 160% (houses) and 60% (units) premiums needed to be added to the New South Wales average state loan. Despite being identified as affordable and liveable suburbs in the 1st half of 2018, the Milperra (houses), Dee Why (units) and North Rocks (units) all failed to meet the liveability criteria in the 2nd half. There is a need for strategic action to improve liveability in Sydney.

SYDNEY HOUSE HOTSPOTS

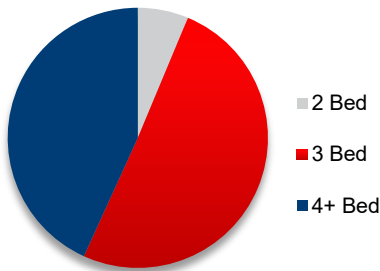


PROPERTY CLOCK – HOUSES



AFFORDABLE & LIVEABLE HOUSE HOTSPOTS

PANANIA 2213



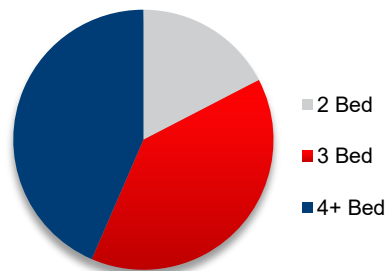
Located in an approximate radius of **20.5km** from the CBD.

Median house price **\$973,000**

- 2 Bed Median Price **\$857,500**
- 3 Bed Median Price **\$940,000**
- 4+ Bed Median Price **\$1,005,000**

Panania is a re-occurring affordable and liveable suburb located in south-west Sydney. It is well-serviced by a variety of shops, public transport, schools, parks and the Western Sydney University. The median house price in the suburb of Panania softened by -7.9% between 2017 and 2018, which presents a perfect opportunity for buyers to capitalise on increased affordability. Meanwhile investors are benefiting from a low vacancy rate (1.2%) as well as strong rental yields (3.1%). Panania's liveability will be further enhanced by the \$7.0M[^] Anderson Ave Mixed Development due to commence in the 2nd half of 2018.

JANNALI 2226



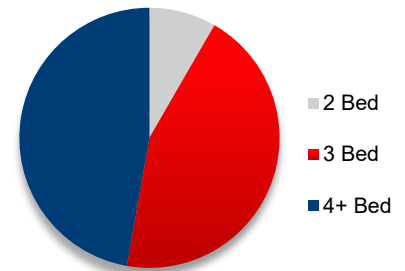
Located in an approximate radius of **20.0km** from the CBD.

Median house price **\$1,072,500**

- 2 Bed Median Price **\$750,000**
- 3 Bed Median Price **\$910,000**
- 4+ Bed Median Price **\$1,048,500**

Jannali is also a re-occurring affordable and liveable suburb located south west of Sydney's CBD and nearby the southern banks of the Georges River. Residents enjoy the service of nearby bus services, train station and a Westfield shopping centre. Investment desirability is presented by low vacancy rates of 1.7% and rental yields of 2.7%. Jannali will see approximately \$25.5M[^] of new developments commence in the 2nd half of 2018, mostly dedicated to residential projects. This includes construction of the \$22.5M[^] Lunar Apartments and \$2.0M[^] alterations to the Jannali Hotel.

PICNIC POINT 2213



Located in an approximate radius of **20.9km** from the CBD.

Median house price **\$1,100,000**

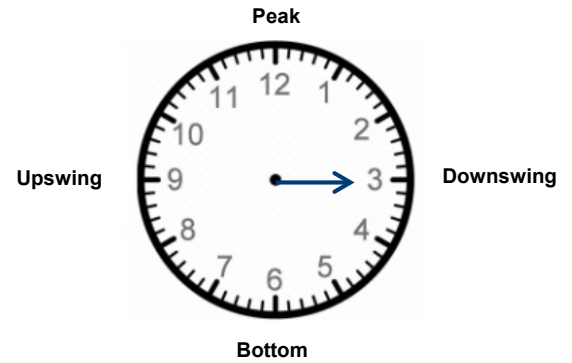
- 2 Bed Median Price **\$1,075,000**
- 3 Bed Median Price **\$945,000**
- 4+ Bed Median Price **\$1,270,000**

Picnic Point is a suburb located in the south-west of Sydney that is positioned on the northern side of the Georges River. In addition to a wide range of local amenities, Picnic Point featured the lowest crime rate of all identified Sydney hotspots, while also offering conducive rental performance with vacancy rates of 1.2% and a yield of 3.1%. Despite a minor median price softening of -2.9% between 2017 and 2018, the suburb is set to benefit from an estimated \$2.7M[^] of development in the 2nd half of 2018, which will add 4 villas, 3 townhouses and a council reserve upgrade to the area.

SYDNEY UNIT HOTSPOTS

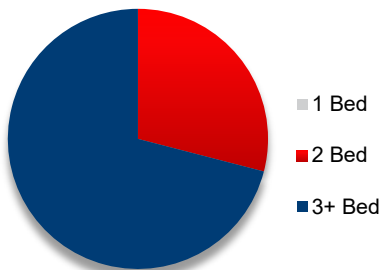


PROPERTY CLOCK – UNITS



AFFORDABLE & LIVEABLE UNIT HOTSPOTS

PADSTOW 2211



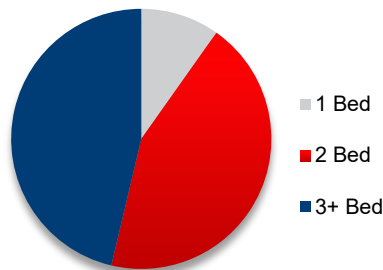
Located in an approximate radius of **17.6km** from the CBD.

Median unit price **\$660,000**

- 1 Bed Median Price **N/A**
- 2 Bed Median Price **\$633,500**
- 3+ Bed Median Price **\$790,000**

Padstow is a suburb located in Sydney's south west, being well-positioned near the M5 and the Airport & South Train Line. The suburb features amenities including shops, sporting facilities and five schools. Despite an annual median price softening of -6.0% since 2017, planned future developments valued at approx. \$2.8M[^] in 2nd half 2018 will add to the liveability prospects of the area. Padstow has low crime and unemployment rates, as well as healthy low vacancy rates (1.7%) and on-par rental yields (3.7%) with Sydney Metro. These are positive signs for unit owners in Padstow.

PEAKHURST 2210



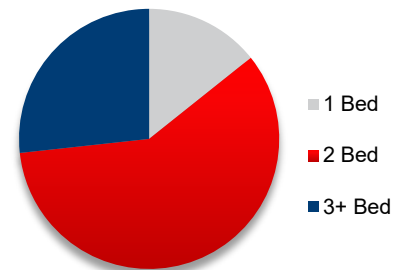
Located in an approximate radius of **16.0 km** from the CBD.

Median unit price **\$725,000**

- 1 Bed Median Price **\$545,000**
- 2 Bed Median Price **\$682,500**
- 3+ Bed Median Price **\$889,500***

Peakhurst is located south west of Sydney's CBD. The suburb is highly desirable for the convenient access to the M5, Riverwood train station and variety of shops. Peakhurst has experienced positive annual price growth of 0.4% since 2017. Astute investors are benefiting from low vacancy rates (1.7%), strong returns (4.3%), and a low unemployment rate (3.6%). Liveability factors will be further improved by approximately. \$21.2M[^] of planned developments commencing in the 2nd half of 2018, which will be focusing on increasing residential stock to meet the growing demand in Peakhurst.

HURSTVILLE 2220



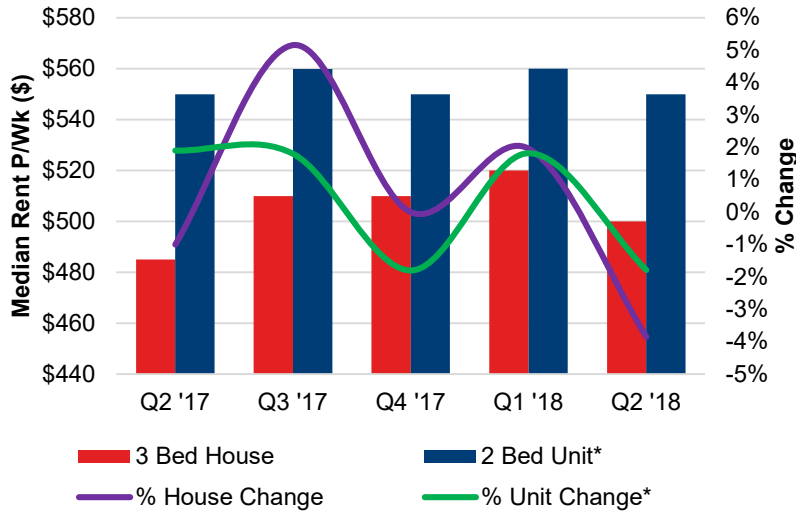
Located in an approximate radius of **13.3km** from the CBD.

Median unit price **\$711,000**

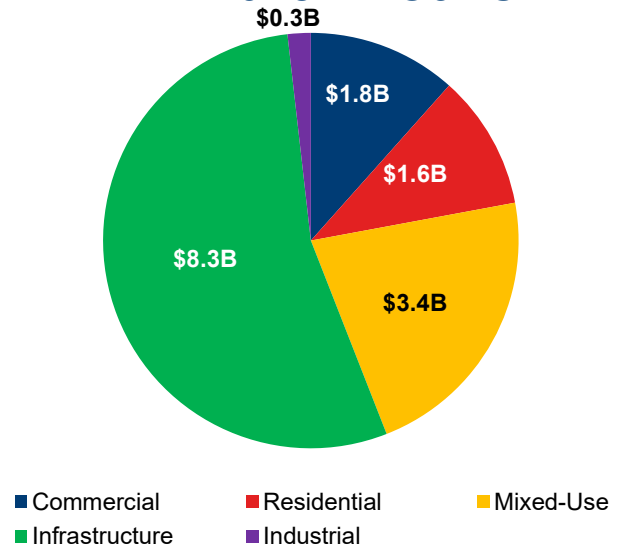
- 1 Bed Median Price **\$555,840**
- 2 Bed Median Price **\$705,000**
- 3+ Bed Median Price **\$840,000**

Hurstville is positioned to the south west of the Sydney CBD. It is well-positioned as a business hub for the surrounding areas, and boasts a Westfield shopping centre as well as schools, parks and medical facilities. Despite a minor annual median unit price softening of -1.3% since 2017 Hurstville remains a top performing liveable and affordable suburb, with solid rental yields of 3.8% and low vacancy rates of 1.7%. Residential and commercial projects valued at approx. \$5.8M[^] in the 2nd half of 2018 will answer future demand and stimulate the local economic growth. Now is the time for buyers to act.

RENTAL MARKET ANALYSIS



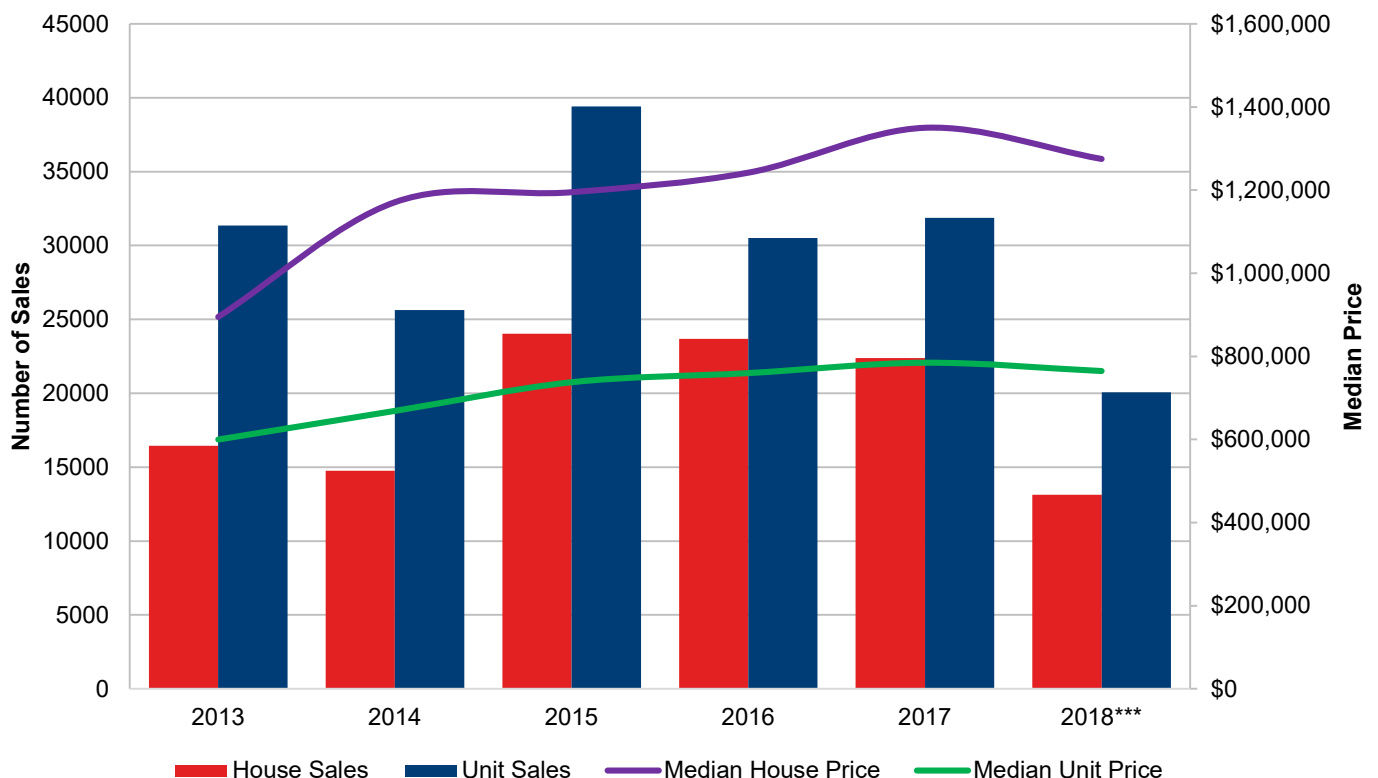
2nd HALF 2018 PROJECTS**



Sydney's rental market has experienced a softening in quarterly price growth since Q1 2018, decreasing by -3.8% to \$500 for 3 bedroom houses and by -1.8% to \$550 for 2 bedroom units. That said, over the past 12 months to Q2 2018 median weekly rents increased by 3.1% for 3 bedroom houses and remained stable for 2 bedroom units. The rising vacancy rate of 2.7% as of June 2018, and the increasing supply of unit stock, is placing downward pressure on the rental market. Investors are urged to hold onto their assets, lock in prices, and secure longer tenancies. Future investors are urged to buy into more affordable suburbs with strong liveability factors to minimise risk and increase the performance of their portfolios.

In the 2nd half of 2018 Sydney will see approximately \$15.3B** in future project developments commence. The main focus is on infrastructure, which is critical to attract population growth and commercial activity for continued economic productivity. Major projects during this period are the \$5.0B Westconnex M4-M5 link, the \$1.0B Parramatta Light Rail network, and the \$955.0M Sydney Central Station and Central Walk works. This presents many opportunities for astute investors to capitalise on untapped property price growth potential in nearby suburbs.

SYDNEY METRO SALES AND MEDIAN PRICE GROWTH

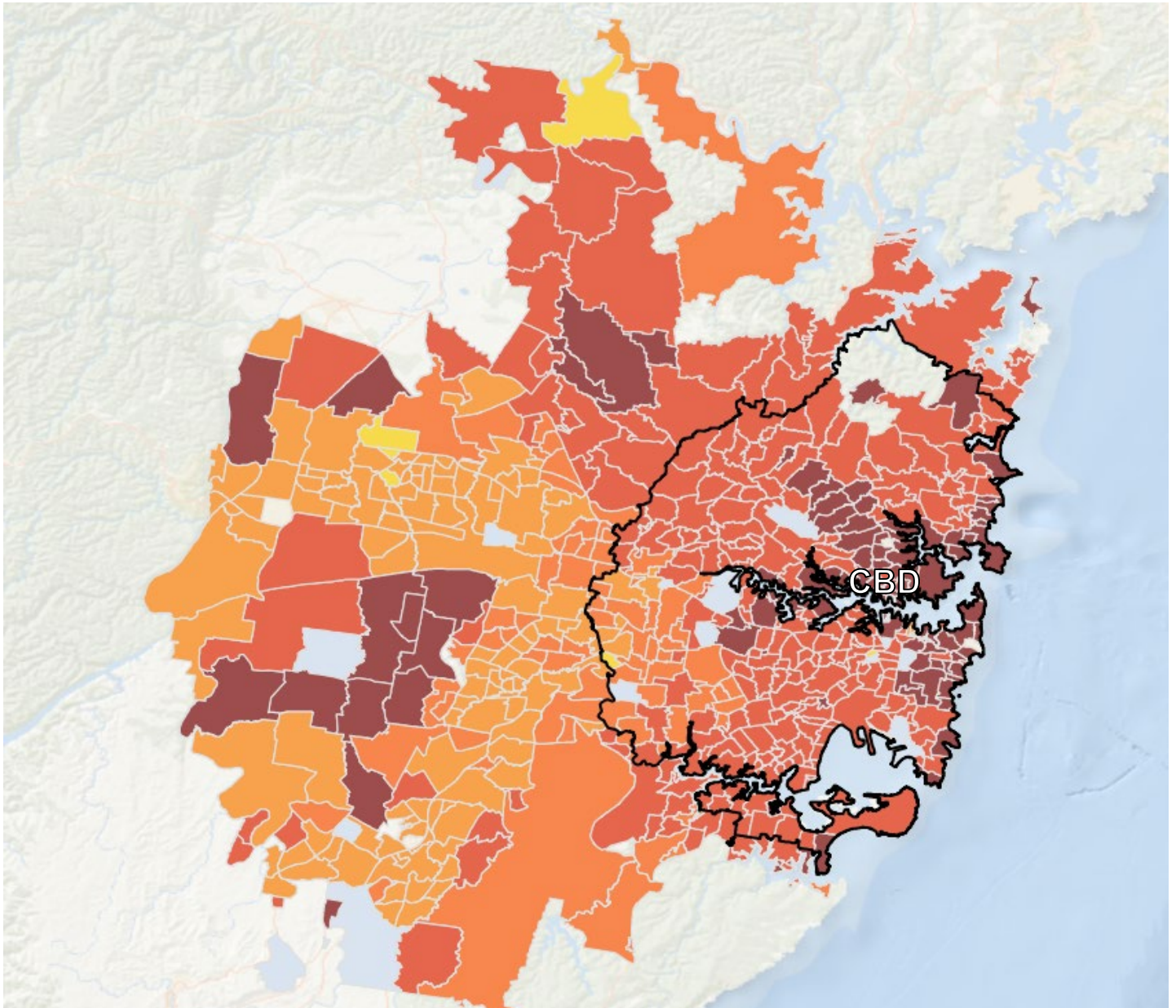


*Data is based on '2 Bedroom Other Dwellings' figures as per REIA's Real Estate Market Facts June quarter 2018 report and are assumed to be predominantly units.

**Quoted project development spending reflects aggregate of estimated values for projects commencing in 2nd half 2018. Quoted estimated value of projects is based on reported land construction value as stated by the relevant data authority and does not signify its commercial/resale value.

***Median price for 2018 captures sale transactions from 1st January 2018 to 30th September 2018.

GREATER SYDNEY HOUSE MEDIAN PRICE 2018*



LEGEND

- Data not available
- \$0 - \$500,000
- \$500,000 - \$800,000
- \$800,000 - \$1,000,000
- \$1,000,000 - \$2,000,000
- \$2,000,000+
- 20km from CBD

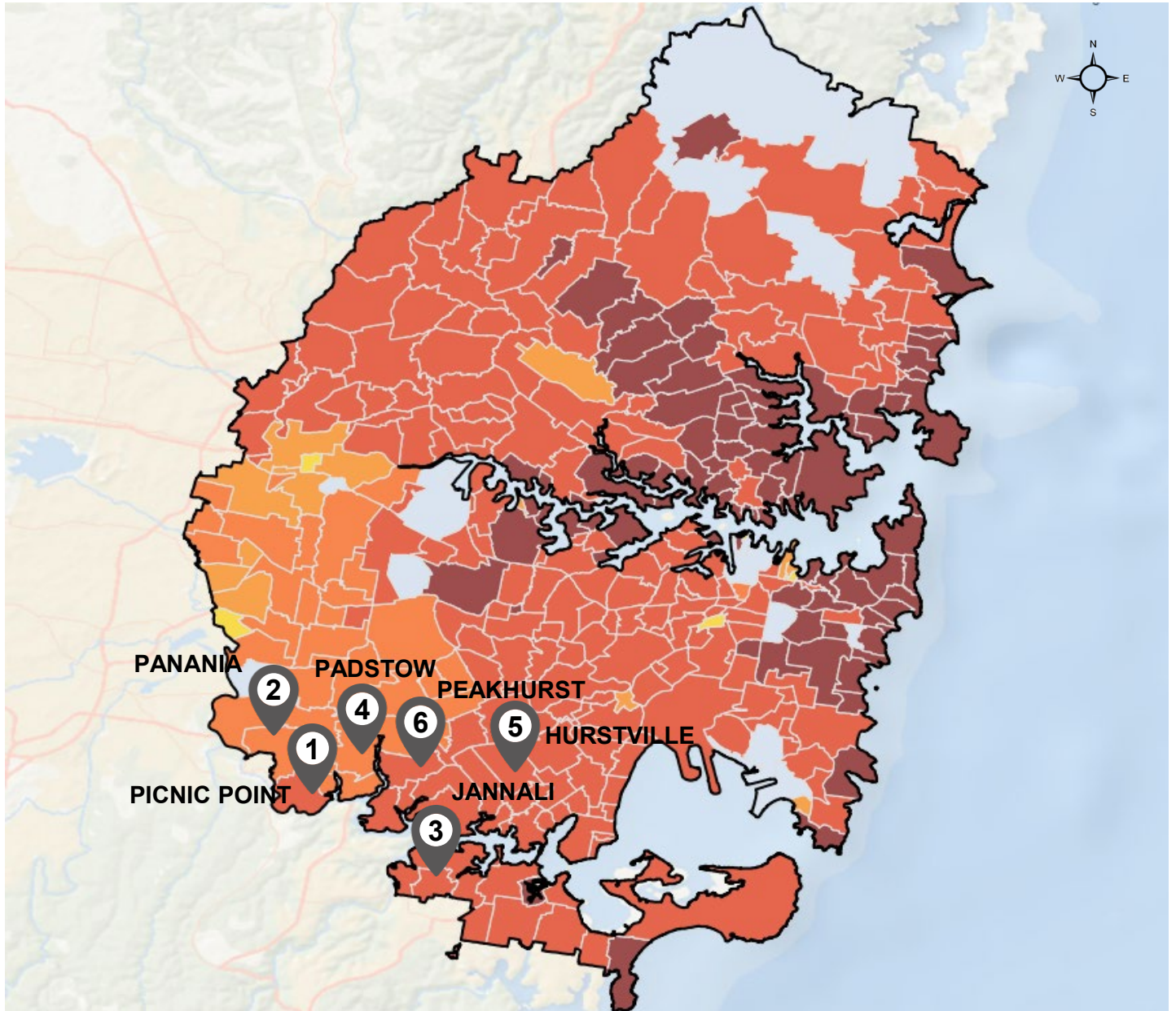
Top 3 Lowest Priced Suburbs**	Median Price 2018**	Project Development***	Median Rent 2018**	Rental Yield
Villawood	\$715,000	\$5,520,000	\$540	2.9%
Macquarie Park	\$755,000	\$428,730,000	\$500	2.5%
Granville	\$760,000	\$188,153,000	\$480	3.1%
Top 3 Highest Priced Suburbs**	Median Price 2017/2018**	Project Development***	Median Rent 2018**	Rental Yield
Bellevue Hill	\$6,287,500	\$7,003,000	\$2,650	3.0%
St Leonards	\$5,474,670	\$1,222,000	\$845	2.9%
Millers Point	\$5,000,000	\$6,516,000	\$1,250	3.7%

*Median house price reflected in the heat-map captures sale transactions from 1st January 2018 to 30th September 2018. Grey areas represent areas where no recorded sales data could be accessed or due to having less than 20 sales transactions.

**Top 3 suburbs identified are located within 20 km from Sydney CBD; suburb median price and median rent figures capture data from 1st January 2018 to 30th September 2018.

***Project development value is an aggregate of estimated construction value for residential, commercial, industrial, mixed use, and infrastructure projects commencing in 2nd half 2018; and does not reflect commercial/re-sale value.

SYDNEY MEDIAN HOUSE PRICES 2018* 20KM FROM CBD



LEGEND

	Data not available
	\$0 - \$500,000
	\$500,000 - \$800,000
	\$800,000 - \$1,000,000
	\$1,000,000 - \$2,000,000
	\$2,000,000+
	20km from CBD

SYDNEY AFFORDABLE & LIVEABLE HOTSPOTS

RENTAL YIELD

	Suburb	House		Suburb	Unit
1	Picnic Point	3.1%	1	Padstow	3.7%
2	Panania	3.1%	4	Hurstville	3.8%
3	Jannali	2.7%	5	Peakhurst	4.3%

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