

PRD.  REAL ESTATE



Affordable & Liveable Property Guide
Sydney Metro 1st Half 2024

OVERVIEW

Median property prices in Sydney Metro have increased by 14.2% for houses, to \$1,421,413 from Q1 2023 to Q1 2024*, and by 13.8% for units to \$844,659. That said, on a quarterly basis (Q4 2023–Q1 2024), median prices grew at a slower rate of 1.0% for houses and 1.4% for units. This has contributed to higher interest rates and a more cautious consumer sentiment. In the past 12 months (to Q1 2024), **total sales for houses fell by -31.9%**, to **6,983 sales**. **This trend can also be seen for unit sales which also fell by -13.8%**, to **7,971 units sold**. There has been an undersupply of both houses and units, leading to a recovery in median prices. **A total of \$14.5B of projects** are planned in the 1st half of 2024, focusing on mixed-use developments and infrastructure projects aimed at boosting housing supply. That said, **most of the new ready-to-sell stock planned are units (10,065) rather than stand-alone houses (1,640)**. This indicates now is the time for buyers to act, before further house price growth. Additionally, there are **288 townhouses and 224 residential lots planned**, which will create more opportunities for first home buyers.

RECENT TOP PERFORMING SUBURBS

Area	Suburb	Type	Median Price 2022	Median Price 2023/24*	Price Growth	Projects 2024***
Inner	Surry Hills	House	\$1,825,000	\$2,075,000	13.7%	\$951.2M
	Milsons Point	Unit	\$1,500,000	\$2,100,000	40.0%	\$11.1M
North	Melrose Park	House	\$1,764,444	\$2,450,000	38.9%	\$2.1B
	Belrose	Unit	\$550,000	\$915,000	66.4%	\$57.3M
South	Eastgardens	House	\$1,907,000	\$2,550,000	29.4%	\$41.4M
	Kogarah	Unit	\$610,000	\$700,000	12.9%	\$109.4M
East	Little Bay	House	\$5,100,000	\$5,410,000	12.1%	\$36.9M
	Little Bay	Unit	\$830,000	\$1,007,000	21.3%	\$36.9M
West	Ashbury	House	\$1,750,000	\$2,025,000	15.7%	\$62.9M
	Teloopa	Unit	\$590,000	\$780,000	32.2%	\$37.7M

METHODOLOGY

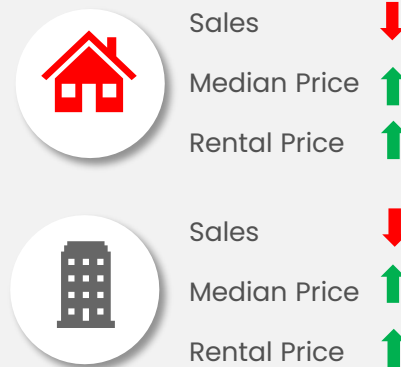
This affordable and liveable property guide for Sydney Metro analyses all suburbs within a 20km radius of the Sydney CBD. The following criteria were considered:

- Property trends criteria** – all suburbs have a minimum of 20 sales transactions for statistical reliability purposes. Based on market conditions, suburbs have either positive, or as close as possible to neutral price growth between 2022 to 2023/24*.
- Investment criteria** – as of March 2024, suburbs considered will have an on-par or higher rental yield than Sydney Metro, and an on-par or lower vacancy rate.
- Affordability criteria** – identified affordable and liveable suburbs have a median price below the relevant capital city metro area, which in this report is Sydney Metro. We then calculate the percentage premiums that need to be added to the New South Wales (NSW) average home loan, which was \$721,599** as of Q4 2023. Premiums of 45.9% for houses and -27.6% for units were needed; below what is required to reach Sydney Metro’s median prices (101.11% for houses and 17.1% for units). The suburbs identified in this report are more affordable to buyers as they are not required to add as high of a premium to the state average home loan.
- Development criteria** – suburbs identified must have a high total estimated value of future project development for 2024, with a high proportion of commercial and infrastructure projects. This ensures the suburbs show signs of sustainable economic growth. Suburbs must also show a reasonable amount of new ready-to-sell stock planned for construction to ensure there is stock available for buyers
- Liveability criteria** – all identified suburbs have low crime rates, availability of amenities within a 5km radius (i.e. schools, green spaces, public transport, shopping centres and health care facilities), and an unemployment rate on-par or lower in comparison to the NSW average (as determined by the Department of Jobs and Small Business, December Quarter 2023 release).

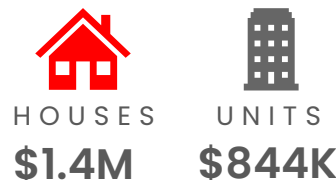
*Median price quoted captures sale transactions from 1st January 2023 to 31st March 2024, or Q1 2023 – Q1 2024. **Average home loan figure is derived from December Quarter 2023 Housing Affordability Report by the Real Estate Institute of Australia (REIA) and Adelaide Bank. ***Project development is based on aggregate of estimated construction value for residential, commercial, industrial, mixed-use and infrastructure projects scheduled to commence in 2024 as stated by the relevant data authority. ^Annual Change is reflective of median price change from Q1 2023 to Q1 2024. Figures displayed in infographics are for the period Q1 2024. Source: APM Pricerfinder, REIA, SQM Research, Cordell Connect, Department of Jobs and Small Business. © PRD 2024.

SYDNEY METRO

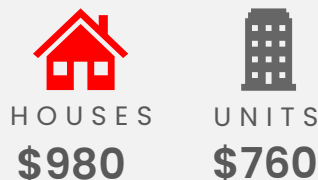
ANNUAL CHANGE [^]



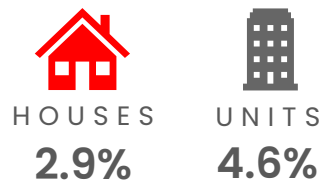
MEDIAN SALE PRICE



MEDIAN RENTAL PRICE



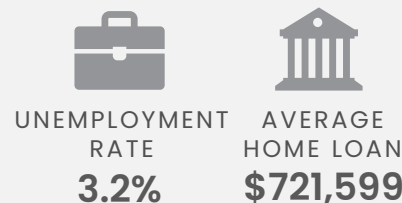
BENCHMARKS SYDNEY METRO



1.1%

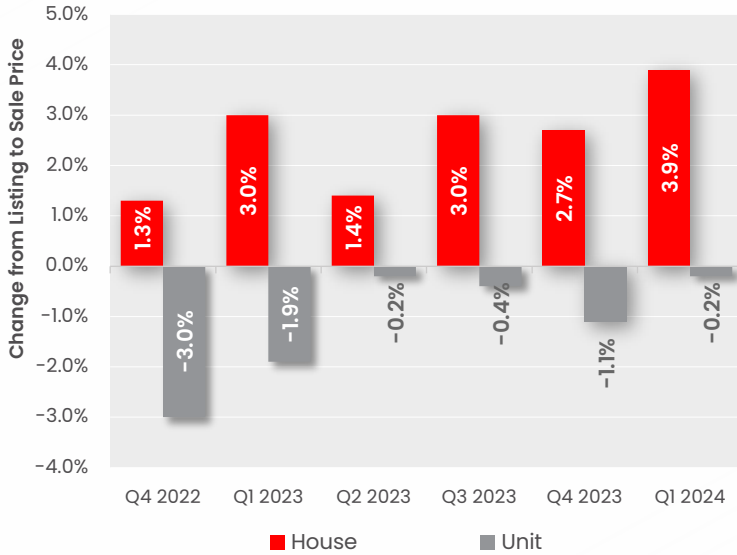
VACANCY RATE

BENCHMARKS SYDNEY METRO





AVERAGE VENDOR DISCOUNT

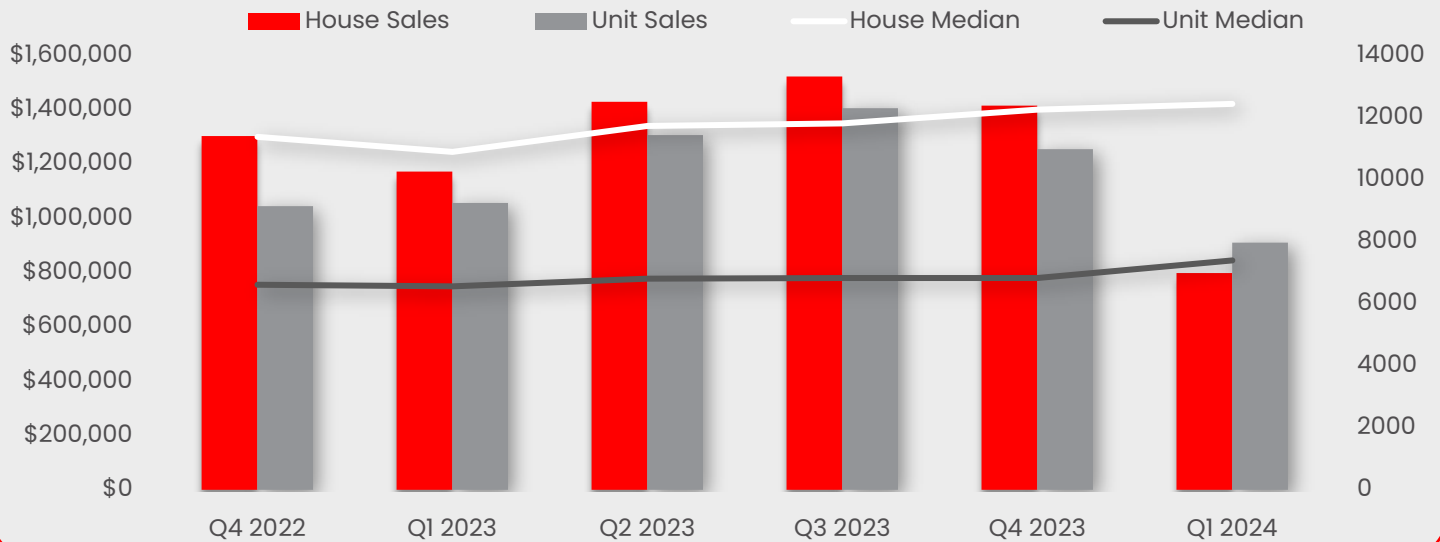


Between Q1 2023 and Q1 2024, **average vendor discounts have increased to a higher premium of 3.9% for houses and tightened to a lower discount of -0.2% for units.** The Sydney Metro house market is increasingly favouring sellers, as **buyers must offer even higher than the first list price.** There is still a very small discount for unit buyers, however, the time to access this is limited due to higher demand.

The dominant proportion of houses sold in Sydney Metro across 2023/24# were in the premium price bracket of \$1,799,000 and above (63.5%). Most of the units sold were also in the premium price point of \$1,000,000 and above (34.7%). That said, **affordable options are still available, especially for units. 32.6% of units sold were at an affordable price point of less than \$699,999**, which is almost equal to a premium price point. This creates an opportunity for first home buyers, but they must act fast.

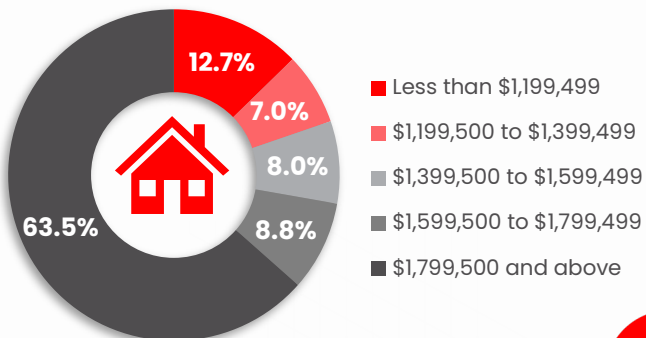


MARKET PERFORMANCE

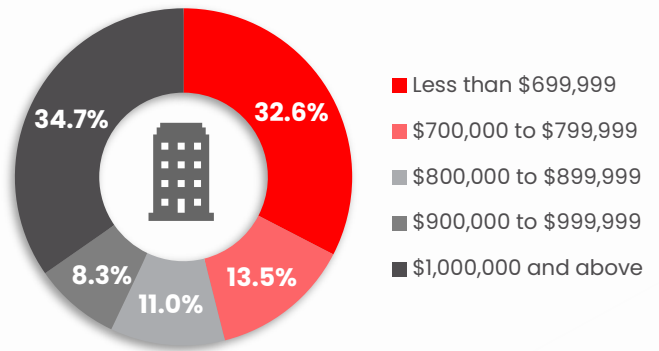


PRICE BREAKDOWN 2023/24#

HOUSES SOLD

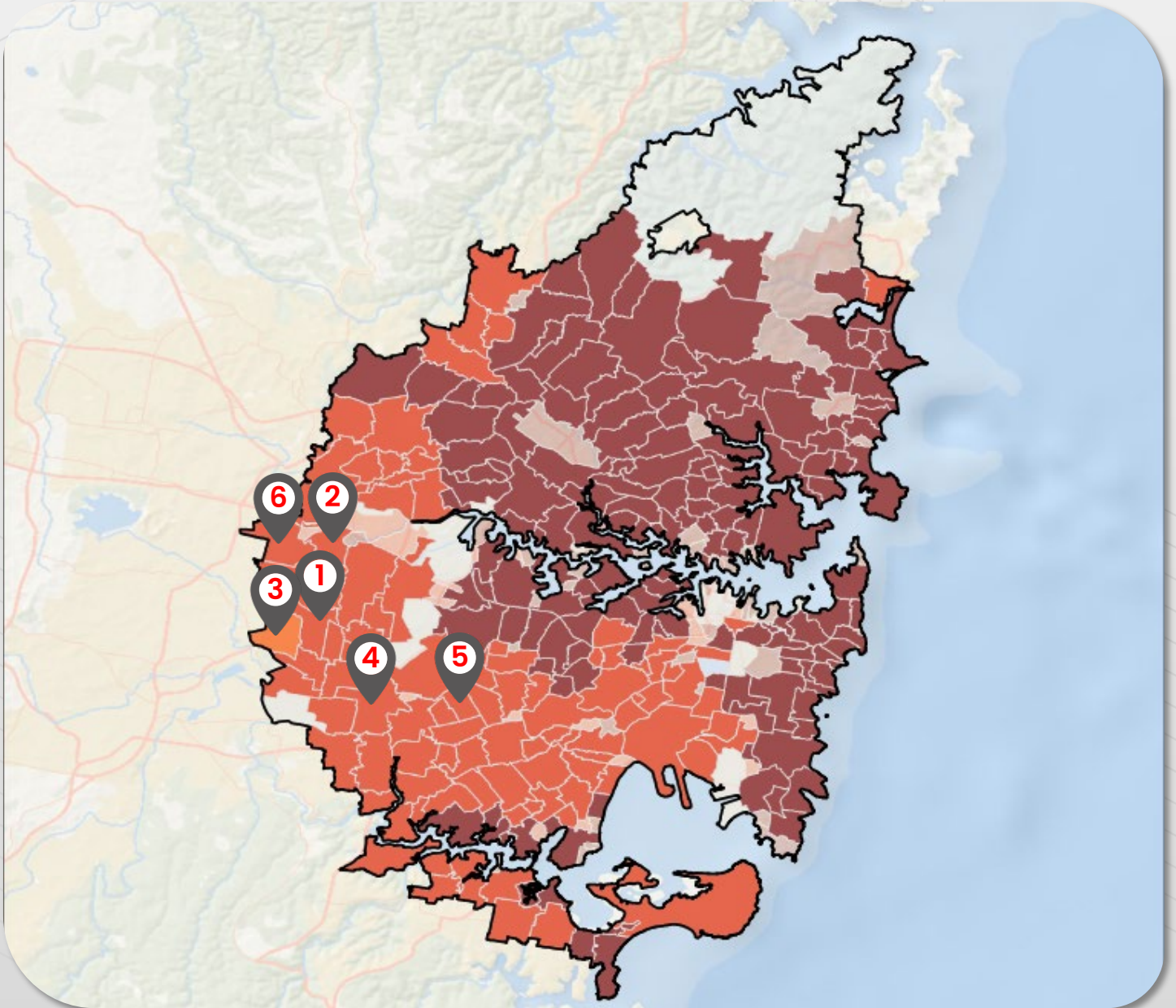


UNITS SOLD



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SYDNEY METRO MEDIAN HOUSE PRICES 2023* 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
	Translucent colours for <20 sales

SYDNEY AFFORDABLE & LIVEABLE SUBURBS RENTAL YIELD

Suburb	House	Suburb	Unit	
1	Chester Hill	4.3%	4 Bankstown	0.9%
2	Granville	2.8%	5 Lakemba	6.3%
3	Villawood	3.3%	6 Merrylands	0.8%



*House median price reflected in the heat-map captures sale transactions from 1st January 2023 to 31st March 2024.
Source: APM Pricefinder, ESRI ArcGIS, SQM Research. © PRD 2024.

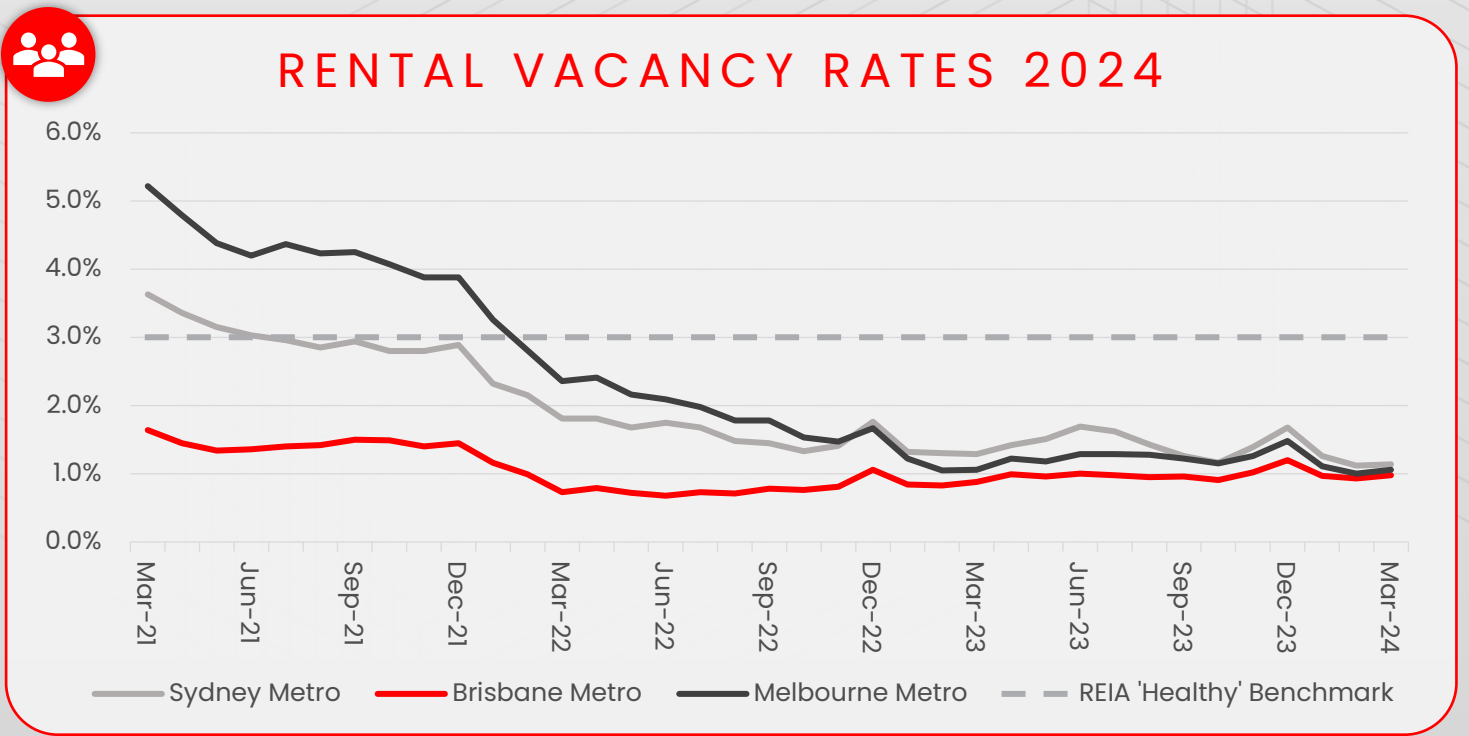
RENTAL GROWTH 2024 €

House rental yields in Sydney Metro were 2.9% as of March 2024, which is lower than both Melbourne Metro (3.1%) and Brisbane Metro (3.5%). That said, median house rental prices increased by 8.9% in the past 12 months (to Q1 2024), at \$980 per week, and rented with low average days on the market (22 days). The number of houses rented also increased substantially by 94.7% (to 4,910 rentals), signalling a rental undersupply. The Unit market saw high demand, with median unit rental prices increasing by 13.6% to \$750 per week and the number of units rented increasing by 1636.8% (22,995 units rented). This shift is not unexpected due to the Sydney Metro market experiencing a market price recovery and many buyers finding themselves priced out of the sale market. This creates an opportunity for investors.







2-bedroom houses and 1-bedroom units have provided investors with the highest annual rental growth of +12.8% and +18.1%, at \$880 and \$620 per week, respectively.

In March 2024, vacancy rates across Sydney, Melbourne, and Brisbane remained low, with Melbourne and Sydney both at 1.1%. Vacancy rates of Sydney Metro remained relatively steady over the past 12 months, with some fluctuations. That said, a 1.1% figure is well below the Real Estate Institute of Australia's healthy benchmark of 3.0%, suggesting quicker occupancy of rental properties. This confirms a conducive environment for investors, even if median sale prices have increased.

Property Type	2 Bedrooms	3 Bedrooms	4+ Bedrooms	1 Bedroom	2 Bedrooms	3+ Bedrooms
 HOUSES	+12.3% \$730	+12.8% \$880	+8.7% \$1,250	 UNITS	+18.1% \$620	+12.5% \$990



RENTAL YIELD 2024 §

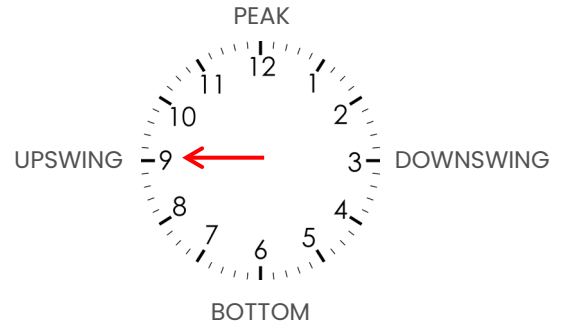
SYDNEY METRO		MELBOURNE METRO		BRISBANE METRO	
 HOUSES	2.9%	 UNITS	4.6%	 HOUSES	3.1%
				 UNITS	4.8%
				 HOUSES	3.5%
				 UNITS	5.0%



€ Annual rental growth is a comparison between Q1 2023 – Q1 2024 (01/01/2023 – 31/03/2023 vs 01/01/2024 – 31/03/2024) house median rent figures. § Rental yields shown are as reported at March 2024. Source: APM Pricerfinder, SQM Research. © Copyright PRD 2024.



HOUSES PROPERTY CLOCK

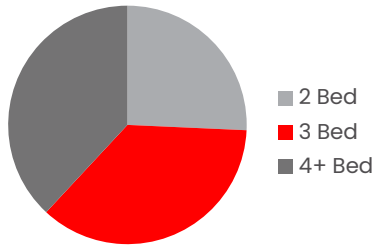


AFFORDABLE & LIVEABLE SUBURBS FOR HOUSES



CHESTER HILL 2162

Located approximately **25.0km**
from the Sydney CBD.



Median House Price **\$1,052,500**
 2 Bed Median Price **\$749,000**
 3 Bed Median Price **\$1,055,000**
 4+ Bed Median Price **\$1,109,000**

Annual Median Price Growth **6.8%****

Vacancy Rate (Mar-24) **0.9%**

Rental Yield (Mar-24) **4.3%**

Key Amenity (5km) **Chester Hill RSL**

Total Projects (\$) **\$116.6M[^]**

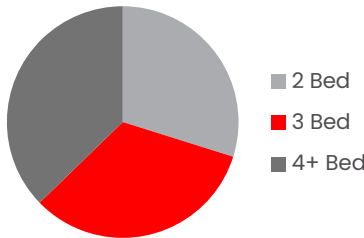
Residential Supply Planned 1st Half 2024
 80 Units
 0 Townhouses
 0 Dwellings

Unemployment Rate **8.3%**



GRANVILLE 2142

Located approximately **18.0km**
from the Sydney CBD.



Median House Price **\$1,000,500**
 2 Bed Median Price **\$1,050,000***
 3 Bed Median Price **\$660,000**
 4+ Bed Median Price **\$820,000**

Annual Median Price Growth **0.1%****

Vacancy Rate (Mar-24) **0.6%**

Rental Yield (Mar-24) **2.8%**

Key Amenity (5km) **TAFE NSW - Granville**

Total Projects (\$) **\$82.2M[^]**

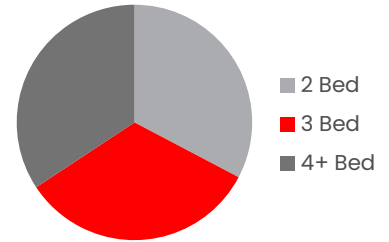
Residential Supply Planned 1st Half 2024
 286 Units
 0 Townhouses
 0 Dwellings

Unemployment Rate **5.8%**



VILLAWOOD 2163

Located approximately **27.0km**
from the Sydney CBD.



Median House Price **\$884,000**
 2 Bed Median Price **\$880,000**
 3 Bed Median Price **\$888,000**
 4+ Bed Median Price **\$922,500**

Annual Median Price Growth **0.5%****

Vacancy Rate (Mar-24) **0.1%**

Rental Yield (Mar-24) **3.3%**

Key Amenity (5km) **Bunnings Villawood**

Total Projects (\$) **\$96.6M[^]**

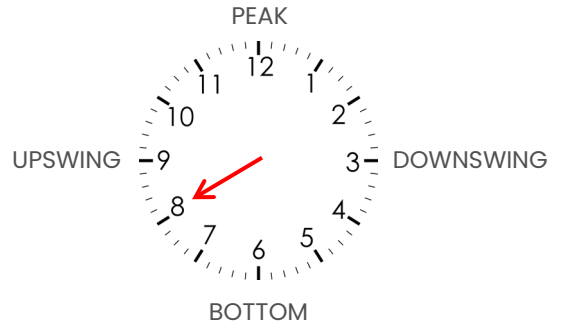
Residential Supply Planned 1st Half 2024
 112 Units
 0 Dwellings
 0 Units

Unemployment Rate **N/A**

[^]Quoted estimated values of projects are based on reported land/construction values as stated by the relevant data authority and do not signify their commercial/resale value.
^{**}Median price growth quoted captures sale transactions between Q1 2023 – Q1 2024, or 01/01/2023–31/03/2023 vs 01/01/2024–31/03/2024. Source: APM Pricerfinder, SQM Research, Cordell Connect, Department of Small Jobs and Business, Google Maps. © PRD 2024.



UNITS PROPERTY CLOCK

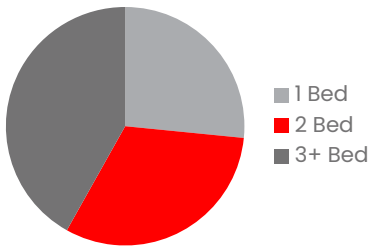


AFFORDABLE & LIVEABLE SUBURBS FOR UNITS



BANKSTOWN 2200

Located approximately **19.0km**
from the Sydney CBD.



Median Unit Price	\$522,500
1 Bed Median Price	\$412,500
2 Bed Median Price	\$490,000
3+ Bed Median Price	\$650,000

Annual Median Price Growth 4.5%**

Vacancy Rate (Mar-24) 0.9%

Rental Yield (Mar-24) 5.9%

Key Amenities (5km) Bankstown Central

Total Projects (\$) \$123.3M[^]

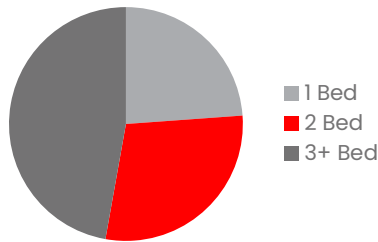
Residential Supply Planned 1st Half 2024
1,443 Units
0 Townhouses
0 Dwellings

Unemployment Rate N/A



LAKEMBA 2195

Located approximately **12.0km**
from the Sydney CBD.



Median Unit Price	\$450,000
2 Bed Median Price	\$329,500
3 Bed Median Price	\$401,100
4+ Bed Median Price	\$652,000

Annual Median Price Growth 17.6%**

Vacancy Rate (Mar-24) 0.5%

Rental Yield (Mar-24) 6.3%

Key Amenity (5km) Rissalah College

Total Projects (\$) \$74.2M[^]

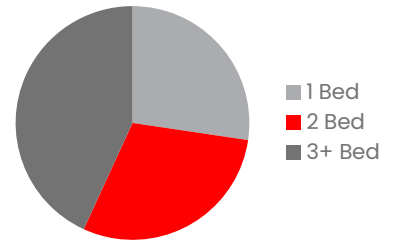
Residential Supply Planned 1st Half 2024
187 Units
0 Townhouses
0 Dwellings

Unemployment Rate N/A



MERRYLANDS 2160

Located approximately **25.0km**
from the Sydney CBD.



Median Unit Price	\$480,000
2 Bed Median Price	\$231,000
3 Bed Median Price	\$465,000
4+ Bed Median Price	\$680,000

Annual Median Price Growth 6.7%**

Vacancy Rate (Mar-24) 0.8%

Rental Yield (Mar-24) 6.2%

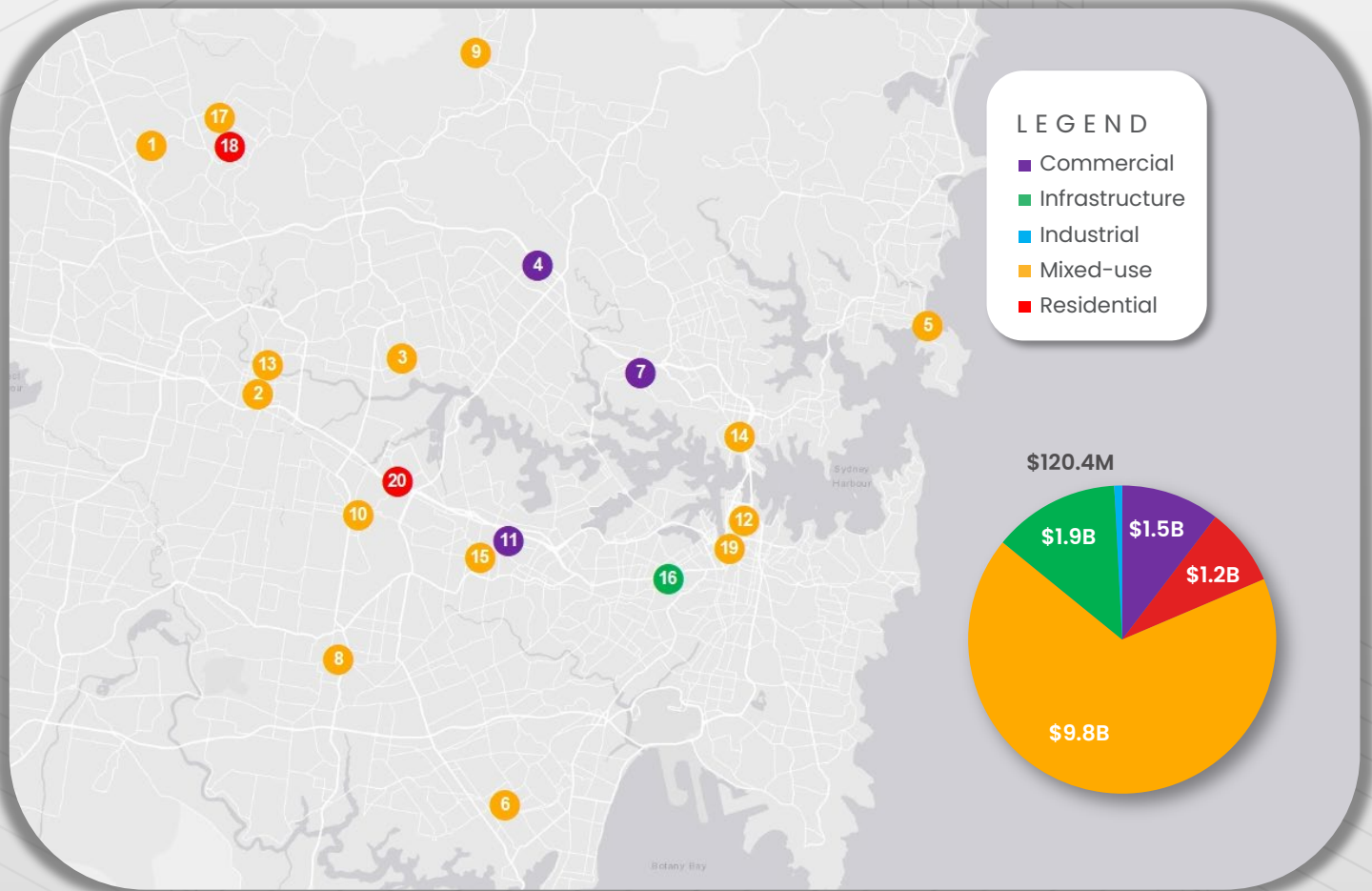
Key Amenity (5km) Stockland Merrylands

Total Projects (\$) \$166.9M[^]

Residential Supply Planned 1st Half 2024
466 Units
16 Townhouses
0 Dwellings

Unemployment Rate N/A

PROJECT DEVELOPMENT MAP 1st HALF 2024*



Location	Project [£]	Type	Estimated Value ^µ	Suburb
1	8 Solent Circuit Commercial Building (Office + Showroom + Cafe)	Mixed-use	\$116,050,000	Norwest Business Park
2	2- 10 Valentine Avenue - Commercial Development (Office + Retail)	Mixed-use	\$138,500,000	Parramatta
3	Pfizer Site Melrose Park North - Overall Project	Mixed-use	\$1,000,000,000	Melrose Park
4	45-61 Waterloo Road Commercial Building	Commercial	\$113,769,528	Macquarie Park
5	Royal Far West Headquarters Stages 3 & 4 (Residential - 58 Apartments + Commercial + Retail)	Mixed-use	\$118,367,193	Manly
6	Lotus Hurstville Units (Residential - 116 Units + Commercial Units)	Mixed-use	\$120,000,000	Hurstville
7	St Ignatius College Riverview - Overall Concept Masterplan	Commercial	\$153,059,000	Lane Cove
8	Bankstown Central Mixed Use Development (Office + Retail)	Mixed-use	\$165,042,291	Bankstown North
9	Hornsby West Development (Residential - 249 Apartments + Retail + Child Care + Supermarket + Commercial)	Mixed-use	\$170,629,000	Hornsby
10	4-12 Railway Street Mixed Use Development (Commercial + Retail + Residential - 306 Apartments)	Mixed-use	\$102,349,700	Lidcombe
11	Club Burwood RSL	Commercial	\$209,654,910	Burwood
12	City Tattersalls Club (Residential - 241 Apartments + Hotel+ Club)	Mixed-use	\$308,070,000	Sydney
13	The Octagon Mixed Use Development (Commercial + Hotel)	Mixed-use	\$338,242,132	Parramatta
14	110, 118 & 122 Walker Street Office & Retail (Office + Retail)	Mixed-use	\$511,610,000	North Sydney
15	Burwood Place (Residential - 1041 Apartments + Retail + Office + Medical Centre)	Mixed-use	\$602,019,803	Burwood
16	Royal Prince Alfred Hospital Redevelopment (State Government)	Infrastructure	\$940,000,000	Camperdown
17	1-5 Carrington Road Showground Station Precinct Site SG2 (Residential - 1620 Dwellings + Retail + Commercial)	Mixed-use	\$996,551,000	Castle Hill
18	Hughes Avenue Apartments (261 Apartments)	Residential	\$113,738,581	Castle Hill
19	505-523 George Street Mixed Use Development (Residential - 507 Apartments + Retail + Community + Child Care + Cinema)	Mixed-use	\$692,185,000	Sydney
20	Birnie Avenue Apartments (419 Apartments)	Residential	\$174,620,000	Lidcombe

*Project development map showcases a sample of upcoming projects only, due to accuracy of addresses provided by the data provider for geocoding purposes. £ Top Projects are based on suburbs located within a 20km radial distance of the Sydney CBD. µ Estimated value is the value of construction costs provided by relevant data authority, it does not reflect the project's sale/commercial value. Source: Cordell Connect database, ESRI ArcGIS. © PRD 2024.

ABOUT PRD'S RESEARCH DIVISION

PRD's property research division provides reliable and unbiased data, insights and consultancy to clients in both 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.

KNOWLEDGE

Access to accurate and objective research is the foundation of all good property decisions. PRD shares on-the-ground experience and decades of knowledge to deliver innovative and effective solutions to our clients.

We take a holistic approach and 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 facts.

PEOPLE

Our in-house research team is skilled in deriving macro and micro quantitative information from multiple credible sources, so we can ensure we provide strategic advice and financially sound direction regarding property and market performance.

RESEARCH SERVICES

Our research services span over every suburb, Local Government Area, and state 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.

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PRD Research Division

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Our services include:

- Advisory & consultancy
- Market analysis including profiling & trends
- Primary qualitative & quantitative research
- Demographic & target market analysis
- Geographic information mapping
- Project analysis including product & pricing recommendations
- Rental & investment return analysis

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