

# Penrith Market Update

## 1<sup>st</sup> Half 2024



### OVERVIEW

In Q1 2024, Penrith\* recorded a median house price of \$955,000 and a median unit price of \$582,250. This represents annual (Q1 2023 – Q1 2024) price growth of 11.0% for houses and 3.7% for units. During this time sales grew by 5.7% for houses and by 14.4% for units. Strong demand in both property types has provided a buffer against cash rate hikes, making this a favourable time for owners looking to capitalize on their investments. That said, on a quarterly basis (Q4 2023 – Q1 2024) median house price increased by a slower pace, of 3.8%, while median unit prices saw a slight decline of -3.0%. This is encouraging news for first home buyers.

#### CHANGE FROM LAST YEAR HALF YEAR



	YEAR	HALF YEAR
HOUSE SALES	↑	↓
HOUSE MEDIAN PRICE	↑	↑
HOUSE RENTAL PRICE	↑	↔

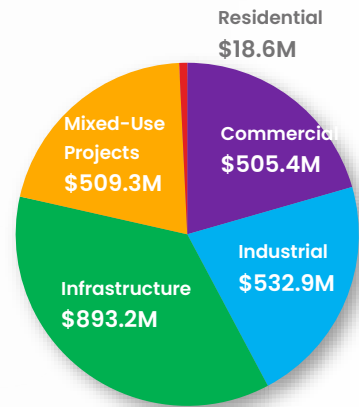


UNIT SALES	↑	↑
UNIT MEDIAN PRICE	↑	↑
UNIT RENTAL PRICE	↑	↑



### FUTURE DEVELOPMENTS

Penrith\* is set to see approximately **\$2.5B worth of new projects commencing in the 1<sup>st</sup> half of 2024.**



These projects will stimulate economic growth and create job opportunities in Penrith, which should have a spill-over impact on the real estate market; in the form of more demand for housing stock.

A main infrastructure project over the 1<sup>st</sup> half of 2024 is the Sydney Metro – Western Sydney Airport Stations (\$750M); which will improve liveability.

Key residential projects planned are:

- 16 Chapman St (12 dwellings)
- 731 & 755 Great Western Highway Residential Subdivision (134 Lots)

Although there are some residential stock planned, there is very little stand-alone houses in the pipeline. This will further increase house prices.



### MARKET CONDITIONS

MEDIAN PRICE  
Q1 2024



**\$955K**

**SALES**



**\$582K**

AVERAGE DAYS  
ON MARKET Q1 2024



**34**  
HOUSE



**56**  
UNIT

MEDIAN PRICE  
Q1 2024



**\$550**

**RENTALS**



**\$550**

AVERAGE DAYS  
ON MARKET Q1 2024



**19**  
HOUSE



**17**  
UNIT



**40 Units/  
Apartments**



**24  
Townhouses**



**12  
Dwellings**



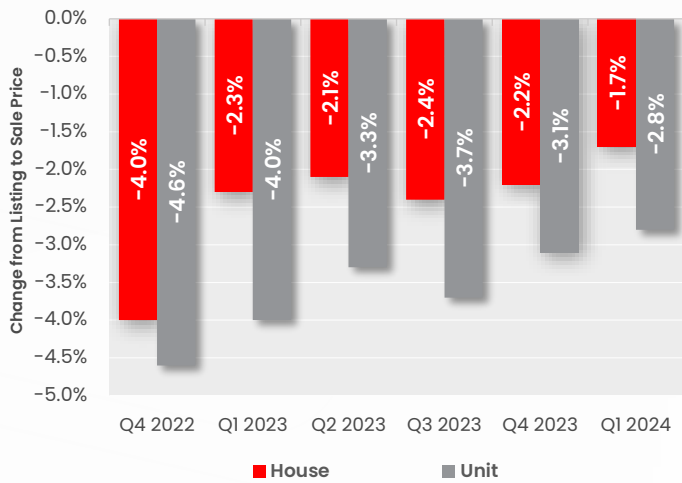
**145 Lots**



## AVERAGE VENDOR DISCOUNT\*

Average vendor discount reflects the average percentage difference between the first list price and final sold price. A lower percentage difference (closer to 0.0%) suggests that buyers are willing to purchase close to the first asking price of a property.

Average vendor discounts between Q1 2023 and Q1 2024 have tightened to a discount of -1.7% for houses and -2.8% for units. The peak discount periods have passed for both property types (in Q4 2022). While market conditions in Penrith\* still favour buyers, as sellers are willing to accept prices below the initial listing prices, the trend is shifting towards a market recovery. Buyers need to act fast.

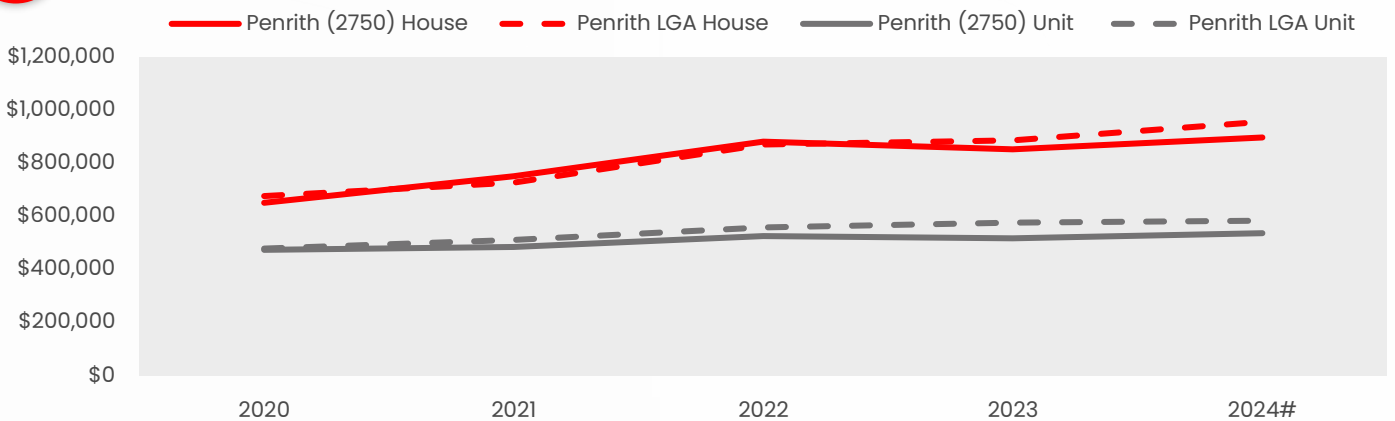


The suburb of Penrith has historically performed on par with the wider Penrith Local Government Area (LGA) in house and unit median prices. 2024# saw this trend continue, with prices in the suburb and LGA trending in the same direction.

The dominant proportion of homes sold in Penrith\* across 2023 and 2024# were in the more affordable price bracket of between \$800,000-\$899,999 (26.9%). Units recorded the most affordable price point of less than \$499,999. This is good news for first home buyers. That said the premium market continues to be robust, with 23.6% of houses and 32.5% of units sold in this price category. This suggests a wide range of options for buyers with different budgets in such a highly-demanded and active market.



## MARKET COMPARISON

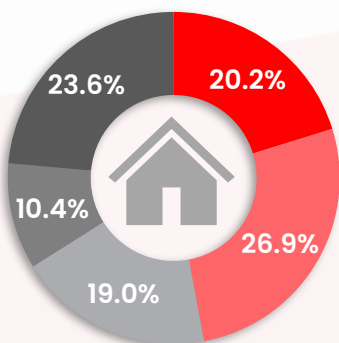


The market comparison graph provides a comparative trend for the median price of houses and unit over the past 5 years. The LGA chosen was based on their proximity to the main suburb analysed, which is Penrith\*.



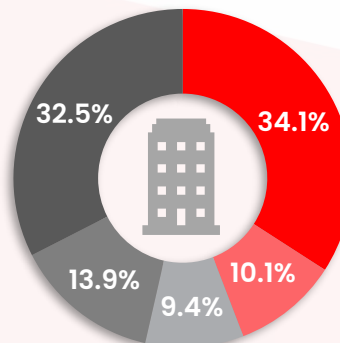
## PRICE BREAKDOWN 2023-2024#

### HOUSES SOLD



- Less than \$799,999
- \$800,000 to \$899,999
- \$900,000 to \$999,999
- \$1,000,000 to \$1,099,999
- \$1,100,000 and above

### UNITS SOLD



- Less than \$499,999
- \$500,000 to \$549,999
- \$550,000 to \$599,999
- \$600,000 to \$649,999
- \$650,000 and above




## RENTAL GROWTH 2024€

House rental yields in Penrith<sup>‡</sup> was 3.1% as of April 2024, higher than Penrith LGA and Sydney Metro (2.9%). This was paired with a 3.8% increase in median house rental price in the past 12 months to Q1 2024, at \$550 per week, and a 2.9% growth in the number of houses rented (to 70 rentals). The average days in the market decreased to its historical low level of 19 days. Combined, this confirms there is a highly demanded and competitive rental market, which is attractive for investors – even with higher entry prices compared to 12 months ago.

2+ bedroom houses have provided investors with +12.8% rental growth annually, achieving a median rent of \$440 per week.

Penrith<sup>‡</sup> recorded a vacancy rate of 0.8% in April 2024, below the Penrith LGA's 1.0% and Sydney Metro's 1.2%. Vacancy rates in Penrith<sup>‡</sup> decreased in the last 3 months, indicating an even tighter rental market. Further, a 0.8% vacancy rate is significantly below the Real Estate Institute of Australia's healthy benchmark of 3.0%, which suggests quicker occupancy of rental properties. This confirms there is a conducive environment for investors in Penrith<sup>‡</sup>.

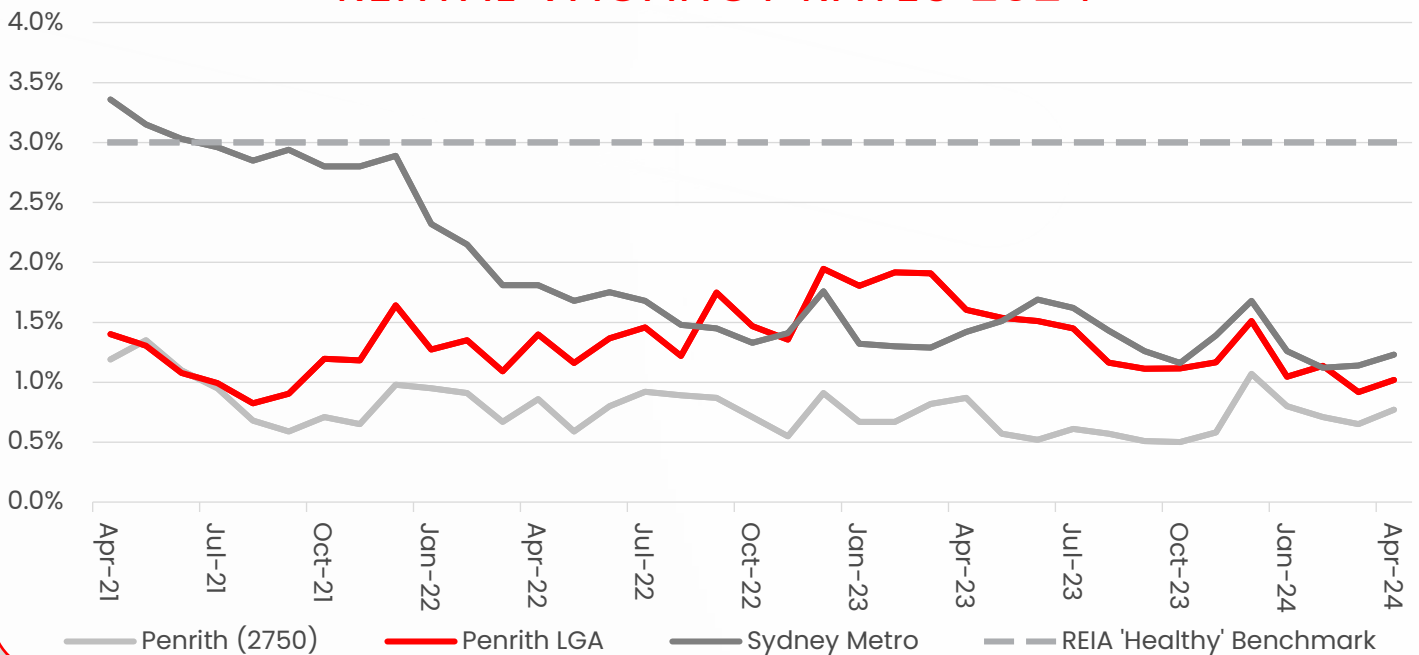
 2 BEDROOMS  
**+12.8%**

 3 BEDROOMS  
**+6.0%**

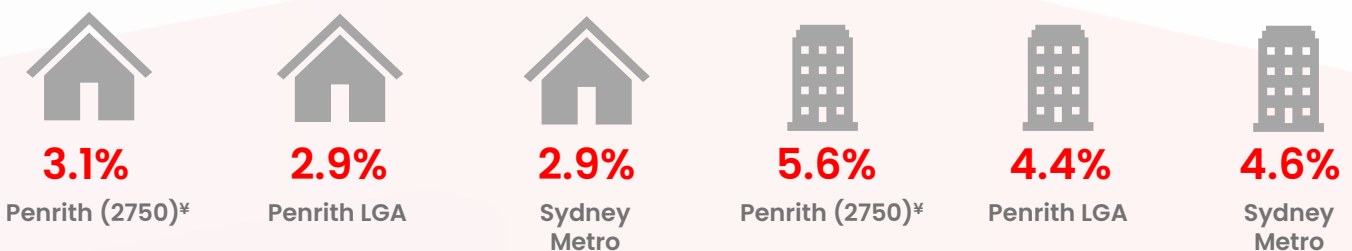
 4 BEDROOMS  
**+7.1%**



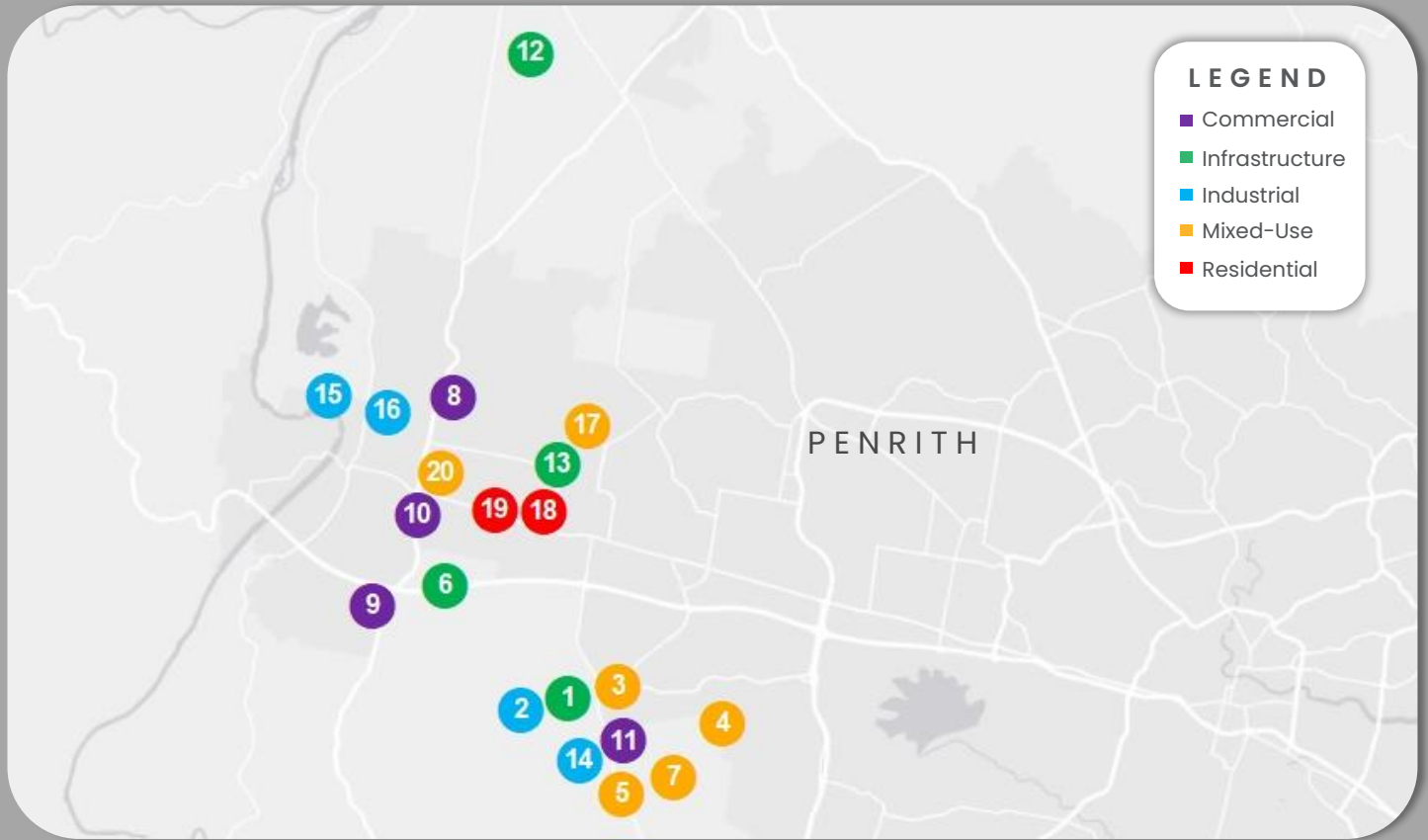
## RENTAL VACANCY RATES 2024



## RENTAL YIELD 2024§



# PROJECT DEVELOPMENT 1<sup>st</sup> HALF 2024<sup>A</sup> MAP



#	Project <sup>£</sup>	Type	Estimated Value <sup>µ</sup>	Commence Date <sup>ψ</sup>
1	Sydney Metro - Western Sydney Airport Stations (State Government)	Infrastructure	\$750,000,000	2024-03-11
2	Alspeg Industrial Business Park	Industrial	\$500,000,000	2024-04-19
3	Microsoft Data Centre Kemps Creek	Commercial	\$332,566,520	2024-06-10
4	Oakdale South Industrial Estate - Precincts 1, 4 & 5 (Industrial + Commercial)	Mixed-use	\$218,091,000	2024-04-16
5	Yiribana Logistics Estate (Industrial + Commercial)	Mixed-use	\$170,880,390	2024-05-06
6	Orchard Hills North - Overall Project (Local Government)	Infrastructure	\$100,000,000	2024-05-09
7	Fife Industrial Estate Stage 1 - FKC Estate - 200 Aldington Road (Industrial + Commercial)	Mixed-use	\$80,385,419	2024-05-06
8	Jordan Springs Retirement Village Stage 2	Commercial	\$73,910,000	2024-03-05
9	40-48 Garswood Road Apartments	Commercial	\$59,298,000	2024-02-19
10	28-32 Somerset Street Hotel	Commercial	\$34,130,725	2024-06-14
11	Cargo Line International Kemps Creek Warehouse & Distribution Centre (Industrial + Commercial)	Mixed-use	\$29,194,000	2024-06-07
12	The Driftway Traffic Safety Improvements (State Government)	Infrastructure	\$25,000,000	2024-05-15
13	75-103, 118, 148-176 & 210 Links Road & Christie Street Roadworks (State Government)	Infrastructure	\$14,733,000	2024-03-04
14	657-769 Mamre Rd Warehouse Distribution Centre - The Yards	Industrial	\$14,326,720	2024-01-15
15	Nepean Business Park	Industrial	\$11,060,000	2024-03-04
16	Visy Glass Penrith Manufacturing Facility Additions	Industrial	\$7,190,860	2024-01-15
17	Pipe Makers (Industrial + Commercial)	Mixed-use	\$6,363,500	2024-04-29
18	16 Chapman Street Dwellings (12 Dwellings)	Residential	\$6,155,591	2024-03-20
19	731 & 755 Great Western Highway Subdivision (134 Lots)	Residential	\$5,947,615	2024-05-24
20	252 Great Western Highway Mixed Use Development (Unit/Commercial/Retail)	Mixed-use	\$4,100,000	2024-03-17



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## RESEARCH SERVICES

Our research services span over every suburb, LGA, and state within Australia; captured in a variety of standard and customised products, and 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

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## REFERENCES

\* Penrith sales market data and key indicators encapsulates aggregate property market conditions within the Penrith LGA.

\*\* Estimated values are based on construction value provided by the relevant data authority and does not reflect commercial and/or re-sale value.

# 2024 encapsulates sales transactions for Q1 2024 (01/01/2024 – 31/03/2024) only, other years encapsulates sales transactions for the full year (i.e 01/01 to 31/12 of the relevant year).

€ Annual rental growth is a comparison between Q1 2023 (01/01/2023 – 31/03/2023) and Q1 2024 (01/01/2024 – 31/03/2024) house median rent figures.

¥ Penrith rental market data encapsulates aggregate property conditions within the postcode of 2750.

§ Rental yields shown are as reported as of April 2024.

▲ Project development map showcases a sample of upcoming projects only, due to accuracy of addresses provided by the data provider for geocoding purposes.

£ Projects refers to the top developments within the Penrith LGA.

μ Estimated value is the value of construction costs provided by relevant data authority, it does not reflect the project's sale/commercial value.

ψ Commencement date quoted for each project is an approximate only, as provided by the relevant data authority, PRD does not hold any liability to the exact date.

**Source:** APM Pricerfinder, Cordell Connect database, SQM Research, Esri ArcGIS.

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