



Preston
Rowe
Paterson

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International Property Consultants

Sydney Impact Report

Residential Development Market

First Half 2017

HIGHLIGHTS

- Total building approvals for the Greater Sydney area declined by 19% over the month to May 2017, from 4,171 approvals in April to 3,375 approvals in May.
- Median house price in Sydney increased by 3.4% over three months, to \$1,167,000. median unit prices increased by 2.8% overall over the quarter to \$742,000.
- When we look at Sydney's residential vacancy rate, the increase in stock entering the Inner Sydney market has meant that availability has increased whilst tenants take time to fill accommodation.
- According to BCI Australia, approximately 48,000 new apartments will enter the Sydney metropolitan area by end of 2020. The total estimated value of these new dwellings will come close to \$22 billion upon completion.

INSIDE THIS ISSUE:

Residential LGA Zones	2
Residential Market	3
Residential Development Supply	5
Economic Fundamentals	7
About Preston Rowe Paterson	10
Contact Us	12



Phone: +61 2 9292 7400

Fax: +61 2 9292 7404

Address: Level 14, 347 Kent Street Sydney NSW 2000

Email: research@prpsydne.com.au

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RESIDENTIAL LGA ZONES

According to the Real Estate Institute of Australia, the local government areas (LGAs) in the Sydney's Statistical Division will be divided up into three geographical rings being inner, middle and outer. The LGAs included in each geographical ring are listed below.

Inner Sydney

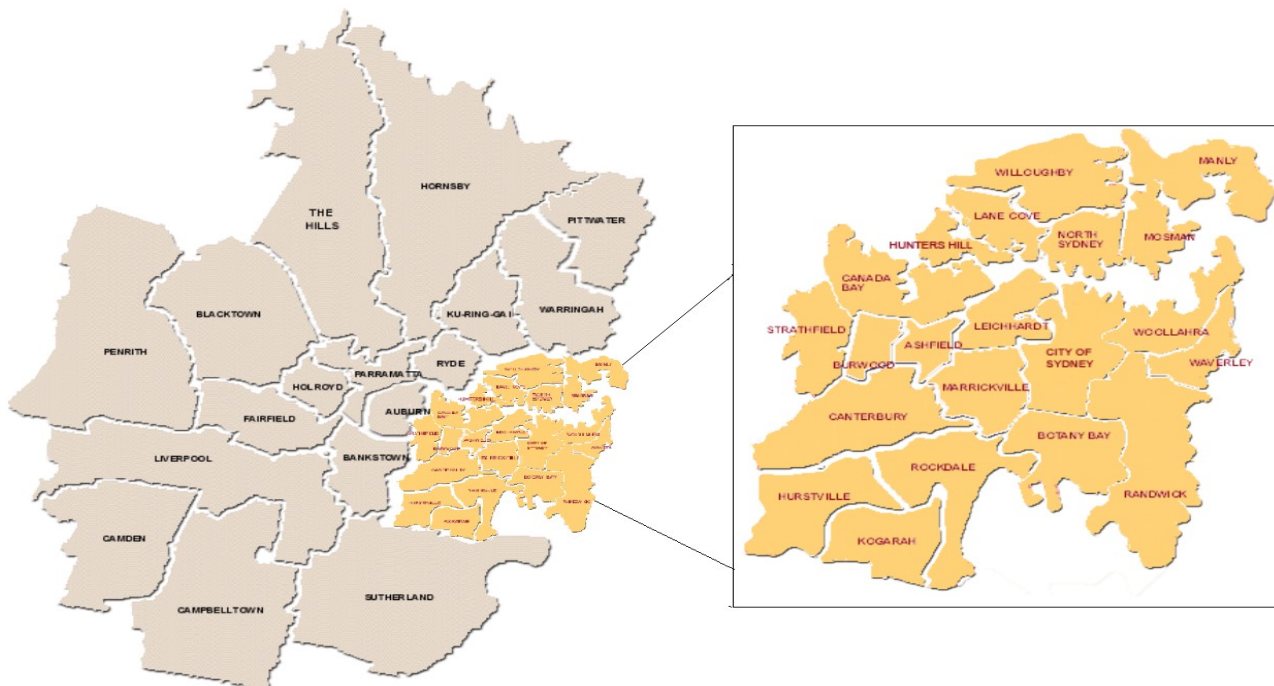
- Ashfield, Botany Bay, Lane Cove, Leichhardt, Marrickville, Mosman, North Sydney, Randwick, Sydney City [South Sydney merged since 2004], Waverly, Willoughby and Woollahra.
- According to the Australian Bureau of Statistics (ABS), the Inner Sydney total population in 2015 is estimated to be 932,747, whereby the Sydney City LGA assumes the largest population at 205,339 persons.

Middle Sydney

- Auburn, Bankstown, Burwood, Canada Bay, Canterbury, Hunters Hill, Hurstville, Kogarah, Ku-ring-gai, Manly, Parramatta, Rockdale, Ryde and Strathfield.
- According to the ABS, the Middle Sydney total population in 2015 is estimated to be 1,360,442. The Bankstown LGA assumes the total population at 203,202 persons.

Outer Sydney

- Blacktown, Camden, Campbelltown, Fairfield, Hawkesbury, The Hills, Holroyd, Hornsby, Liverpool, Penrith, Pittwater, Southerland and Warringah.
- According to the ABS, the Outer Sydney total population in 2015 is estimated to be 2,166,806. The Blacktown LGA has the highest recorded population over all other Sydney LGAs with 339,328 persons.



Sydney metropolitan LGA boundaries – Source - Division of Local Government



RESIDENTIAL MARKET

Building Approvals

Statistics from the Australian Bureau of Statistics indicate that total building approvals for the Greater Sydney area declines by 19% over the month to May 2017, from 4,171 approvals in April to 3,375 approvals in May. May's figure indicate that total approval for construction had declined by 38% when we compare it to twelve months prior. The total number of approvals to date amounts to 19,993 approvals, which comprise of 6,832 approvals for houses and 13,161 approvals for other dwellings.

Greater Sydney's house building approvals experienced an increase of 42% over the month to May, which lifted total housing construction approvals to 1,632. However, when we compare this figure to twelve months prior, total approval for housing construction had declined by 13%. Total number of dwellings other than houses approved for construction during May declined by 42% over the month, down to 1,743 approvals. This figure indicates a drop of 51% when compared to twelve months prior.

The figures from May follow tighter lending restrictions that were imposed on banks by APRA back in March 2017. Interest-only lending were capped by the regulators, which have limited lenders to now only be able to lend out the higher risk interest-only loans to 30 percent of their new residential mortgages.

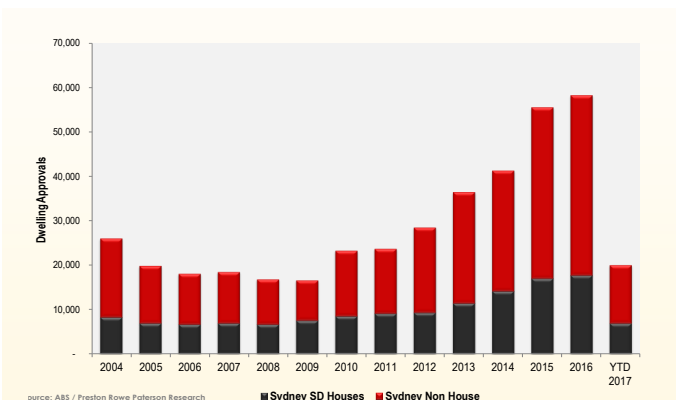


Chart 1 – Sydney SD Dwelling Approvals—Source ABS

Market Affordability

The Real Estate Institute of Australia's March quarter report indicate that median house price in Sydney increased by 3.4% over three months, to a median house price of \$1,167,000. This figure indicates an annual change of 16.5%. When we look at Inner Sydney, median price increased by 7.8% over the quarter, to \$2,075,000. There were 1,017 sales over the period, with sale prices ranging from \$1,574,000 to \$2,800,000. Middle Sydney's house price increased by 3.1% over the quarter, to \$1,371,000. There were 2,344 sales, of which sale prices ranged from \$970,000 to \$2,000,000. Outer Sydney experienced no change in their median house price, which remained at \$770,000. The region recorded strong sales numbers, with 7,628 sales over the quarter and sales prices ranging from \$620,000 and \$1,055,000.

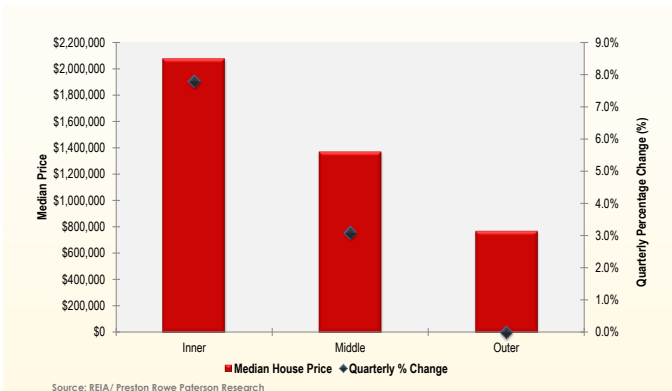


Chart 2 – Median House Price by Zone – Source REIA

When we look at the sales of other dwellings in Sydney, prices increased by 2.8% overall over the quarter, to \$742,000. This figure indicates a change of 10% over the year. Inner Sydney experienced an increase of 2.9%, to \$920,900 for the March quarter. There were 2,272 sales in this region, with sale prices ranging from \$718,000 and \$1,230,000. Middle Sydney's median sale price increased by 1.0%, to \$692,000. There were 2,477 sales over the quarter, with sale prices ranging from \$575,000 and \$840,000. Outer Sydney experienced an increase of 0.8% in their median sale prices over the quarter, to \$770,000. There were 7,628 sales recorded in this region, with sale prices ranging from \$620,000 and \$785,000.

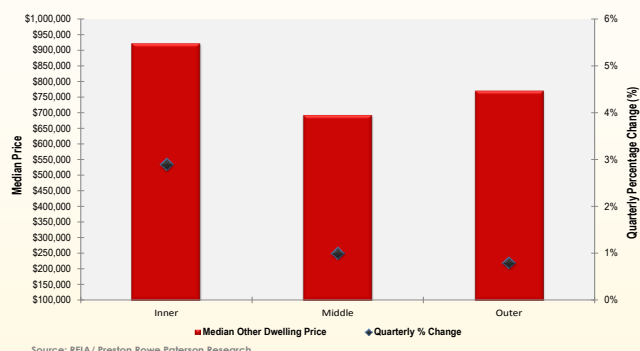


Chart 3 – Median Price for Other Dwellings by Zone – Source REIA

Rental Market

Over the March Quarter, Sydney experienced moderate changes in their house rents, with the highest increase stemming from Middle Sydney's 2 bedroom houses. Median rent per week increased by 5.1% to \$520. 2 bedroom houses in Inner Sydney and 3 bedroom houses in Middle Sydney both experienced increases, of 1.4% and 0.8% over the quarter, respectively. Inner Sydney's 3 bedroom house rents remain unchanged at \$900, whilst Outer Sydney's 2 and 3 bedroom houses remain unchanged at \$380 and \$450, respectively.

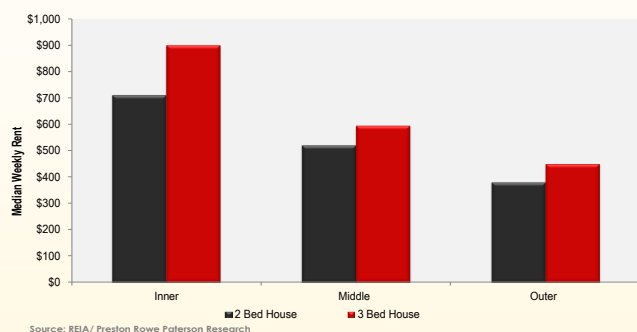


Chart 4 – Sydney Median Weekly Rents for House by Zone – Source REIA

Mixed changes in median rent were recorded for other dwellings in Sydney. Inner Sydney's 1 and 2 bedroom recorded a change of 1.9% and -0.7%, respectively. Their respective rents moved to \$550 and \$685 per week. When we look at Middle Sydney, 1 and 2 bedroom dwellings recorded increases of 2.2% and 2.0%, respectively. Their respective rents increased to \$470 and \$510. When we look at Outer Sydney, 1 bedroom dwellings

experienced a decline of -3.8% for the quarter, down to \$272.50. When we look at 2 bedroom dwellings, median weekly rent increased by 2.3%, to \$440.

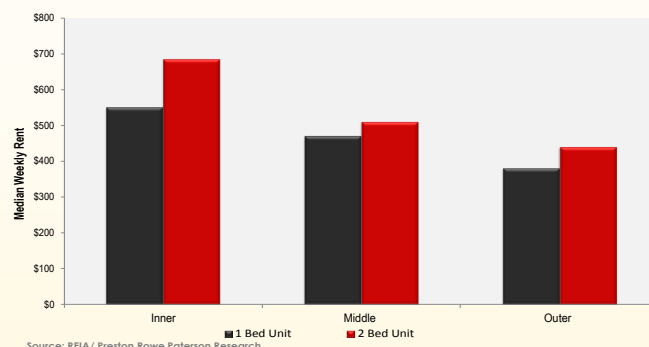
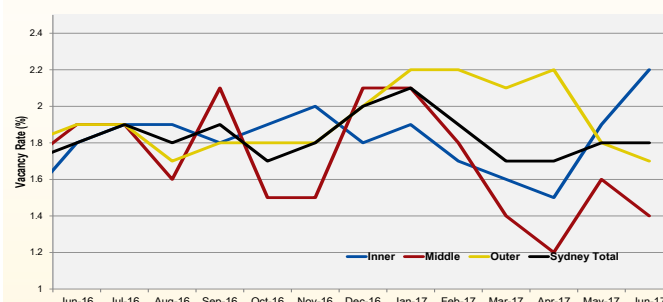


Chart 5 – Sydney Median Weekly Rents for Other Dwellings by Zone – Source REIA

Residential Vacancy Rates

When we look at Sydney's residential vacancy rate over the month to June 2017, we can see a turn in Sydney's rental market, with availability at its highest level in nearly two years. Real Estate Institute of New South Wales's Vacancy Rate survey indicates that the vacancy in the Sydney metropolitan area remains unchanged over the month at 1.8%. Inner Sydney experienced a strong increase over the month, with vacancy increasing by 0.3% to 2.2% for the month of June. The president of REINSW, John Cunningham, stated that the increase in stock entering the Inner Sydney market has meant that availability has increased whilst tenants take time to fill available accommodation. Vacancy rates for Middle and Outer Sydney declined by -0.2% and -0.1%, respectively, over the month to June. Middle Sydney's vacancy rate stands at 1.4%, whilst Outer Sydney vacancy stands at 1.7%.



Source: REINSW/ Preston Rowe Paterson Research

Chart 6 – Sydney Vacancy Rates – Source REINSW

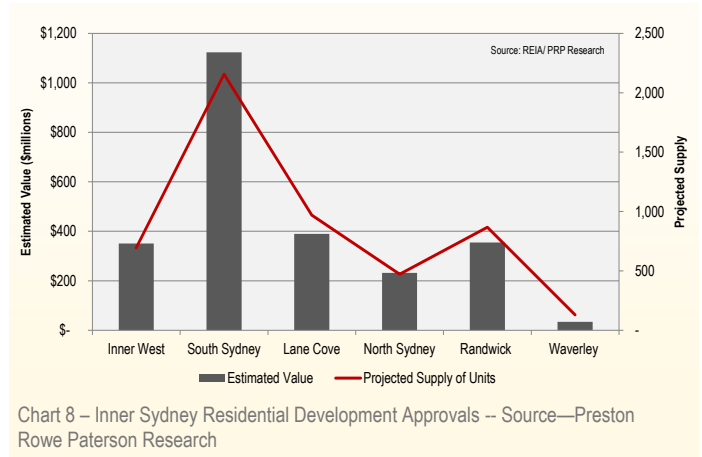


RESIDENTIAL DEVELOPMENT SUPPLY

Analysis of figures from BCI Australia, approximately 48,000 new apartments and units will be entering the Sydney metropolitan area by end of 2020. The total estimated value of these new dwellings combined with come close to \$22.32 billion upon completion. The majority of supply will be coming from Middle Sydney, with 41% of total projected supply to be completed in the councils of Bayside, Burwood, Canada Bay, Canterbury-Bankstown, Ku-Ring -Gai, Parramatta, Ryde and Strathfield. Outer Sydney is projected to supply 38% of total supply, with the majority of construction occurring in Blacktown, Campbelltown, Hornsby, The Hills, Liverpool and Sutherland. Inner Sydney currently holds 21% of total projected supply of dwellings, with the majority being built in Sydney city, as well as in South Sydney, the Inner West, Lane Cove, North Sydney, Randwick and Waverley.

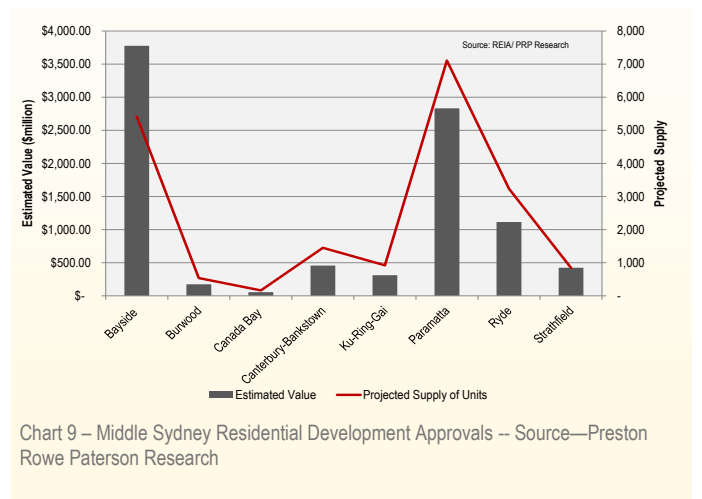
Inner Sydney

A total of 36 projects are currently under in the Inner Sydney region, of which are to all be completed by the end of 2019. According to BCI Australia, a total of 10,196 units will be added onto the market, with close to 4,900 alone to be constructed within Sydney city. The total estimated value of these developments is close to \$7 billion upon completion, with an estimated coverage of 1.078 million square metres in space. Notable projects to be completed in Inner Sydney include Sydney's Darling Square project, which is projected to add 1,360 new apartments upon completion in 2020; Amara in Alexandria, which is expected to add close to 200 apartments upon completion in 2019; and Central Park development site in Chippendale, which will add 1,500 new dwellings upon completion.



Middle Sydney

According to BCI Australia, Middle Sydney's 73 development projects are expected to be completed by the end of 2020. Around 19,700 new dwellings will be added into Middle Sydney's residential market, with the majority being built in the Bayside area as well as in Parramatta. Completion of these projects will add 1.072 million square metres of space upon completion, coming to an estimated total value of \$9.151 billion. Notably projects being completed in Middle Sydney include Parramatta Square project, which will add 700 new dwellings upon completion in 2018; Park One Sydney project, which will add 400 apartments upon its completion in 2019; and Pagewood Green, which will add close to 3,000 new dwellings upon its completion.





Outer Sydney

Figures from BCI Australia indicate that Outer Sydney is projected to welcome close to 18,000 new apartments by the end of 2020. The 60 projects recorded have an estimated total value of close to \$6.145 billion, and is expected to add more than 930 thousand square metres of floor space into Outer Sydney's residential market. Liverpool holds the most developments to be completed, with a total of 4,649 dwellings under development. Notable projects to be completed in Outer Sydney include Sydney Olympic Park's Pavilion, which will supply more than 400 apartments upon completion in 2020; The Pinnacle Liverpool, which will supply 2019; and the Woollooware Bay Precinct project, which will add a further 640 new apartments upon its completion.

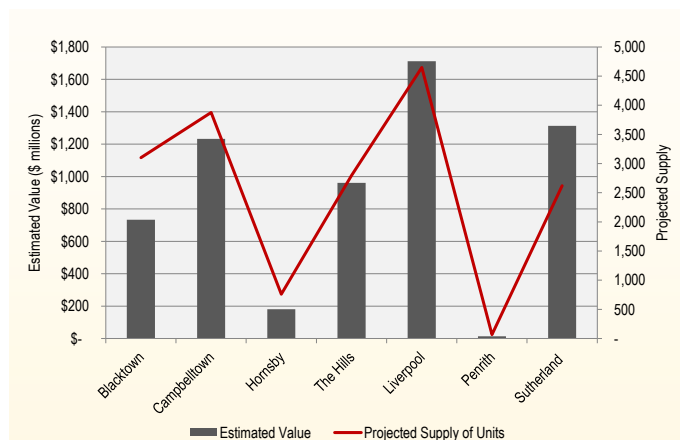


Chart 10 – Outer Sydney Residential Development Approvals -- Source—Preston Rowe Paterson Research

RESIDENTIAL DEVELOPMENT SITE SALES

Address	LGA	Vendor	Buyer	Date	Sale	Site Area (Ha)	Proposed Dwellings	Rate/Unit
3-5 Milray Street, Lindfield, NSW 2070	Ku-Ring-Gai	Private developer	Poly Australia	Jan-17	\$ 28,000,000	0.5292	68	\$411,765.00
82 Waterloo Road, Macquarie Park, NSW 2113	Ryde	Goodman Group	Romeciti	Feb-17	\$ 120,000,000	1	357	\$336,134.00
49-51 & 55-57 Gerrale Street, Cronulla, NSW 2230	Sutherland Shire	Private owners	Privat developers	Feb-17	\$ 54,000,000	0.2921		N/A
Middleton Avenue, Sexton Avenue and Fishburn Crescent, Caste Hill, NSW 2154	The Hills Shire	Undisclosed	Private developer	Feb-17	\$ 40,000,000	0.7545	200	\$200,000.00
258-264 Pennant Hills Road, Thornleigh, NSW 2120	Hornsby Shire	Undisclosed	Undisclosed	Mar-17	\$ 9,500,000	0.151	73	\$130,137.00
20-26 Cross Street, Double Bay, NSW 2028	Woolahra	Undisclosed	Roche family	Apr-17	\$ 55,000,000	0.1258	34	\$1,617,647.00
141 Allen Street, Leichhardt, NSW 2040	Inner West	Undisclosed	Changfa	Apr-17	\$ 55,000,000	0.7149	139	\$395,683.00
59 Goulbourn Street, Sydney, NSW 2000	Sydney	Roxy Pacific	Fortius Funds Management	May-17	\$ 158,000,000	2.9489	407 Hotel suites; 90 Apartments	N/A
17-23 Mitchell Avenue & 78 Sutherland Road, Jannali, NSW 2226	Sutherland Shire	Undisclosed	WINIM	Jun-17	\$ 11,250,000	0.4143	64	\$175,781.00
401- 405 Illawarra Road, Marrickville, NSW 2022	Inner West	Private owners	Local developers	Jun-17	\$ 6,150,000	0.062	21	\$292,857.00
88 Christie Street, St Leonards, NSW 2065	Lane Cove	Dyldam	JQZ	Jun-17	\$ 300,000,000	0.45	777	N/A

Table 1 – Development site sales in Sydney Metropolitan Area – Source: AFR/ PRP Research



Economic Fundamentals

Consumer Price Index

The June quarter Consumer Price Index (CPI) figures will not be available until 27th July, hence March quarter figures will be used for the following analysis. CPI increased by 0.5% over the March quarter, following an increase of 0.5% in the December quarter 2016. The main contributor to this increase was the Housing group (+0.8% over the quarter), the Transport group (+1.5% over the quarter), the Health group (+2.0%), Education group (+3.1%) and the Alcohol and tobacco Group (+1.1%). In contrast, the main inhibitors to further increases in CPI were the Furnishing, household equipment & services group (-1.0%), Recreation & culture group (-0.7%), Clothing and footwear group (-1.4%), Communications group (-0.3%) and Food & alcoholic beverage group (-0.2%).

Over the year to March 2017, All Groups CPI increased across all eight capital cities in Australia, with Melbourne and Sydney recording the biggest yearly increase, of +2.5% and +2.4% respectively. In contrast, Darwin recorded the lowest increase, with an annual change of 0.5%. Over the March quarter, CPI increased in all capital cities, except for Darwin.

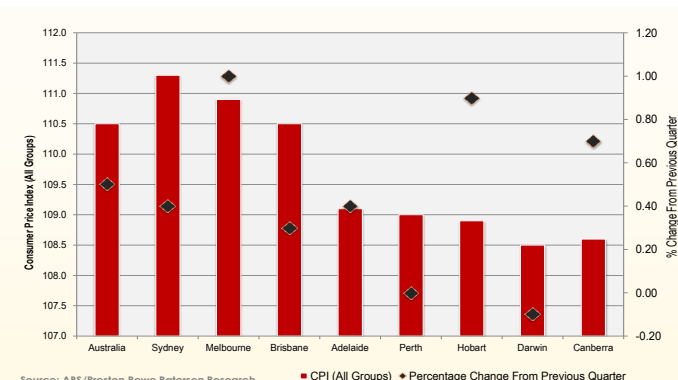


Chart 1—All Group CPI (Capital Cities) and Percentage Change from December 2016 to March 2017—Source—ABS

Business Sentiment

Both business conditions and business confidence declined over the month of May. Figures released by National Australia Bank indicate that business conditions dropped by 1 point, to +12 index points, whilst business confidence index fell by 6 points to +7 index points. In stating this, both indices remain slightly above their long-run average index (+5 for business conditions, +6 for business confidence), with leading indicators for both business condition and business confidence remaining relatively strong. NAB's chief economist, Alan Oster, noted that a disconnect is present when we look at evidence of solid business activity in conjunction with data that indicates a slowdown in consumer spending. With weak household data and wage growth remaining at record low, and a strong business sector, Mr Oster have noted how this 'disparity resolves itself will be critical to the outlook for growth'.

	Net Balance		
	March 2017	April 2017	May 2017
Business confidence	7	13	7
Business conditions	14	13	12

Table 1—Monthly Net Balance of Business confidence index and Business conditions index — Source— National Australia Bank

Consumer Sentiment

According to the Westpac Melbourne Institute Index of Consumer Sentiment, consumers over the month of June are feeling the most pessimistic since the Reserve Bank's 2016 rate cuts. The index fell 1.8% from 98.0 in May to 96.2 in June, with a reading below 100 indicating that the number of pessimists outweigh optimists in their outlook of the economy. The main contributor to the results stems from the March quarter GDP figures, which produced relatively weak results. Annual growth had declined to 1.7%, the slowest increase since the GFC prompting consumers' pessimistic responses during the June survey.

Job security remains a topic on most consumers' mind, with the Westpac Melbourne Institute Unemployment Expectations Index increasing from 135.5 to 140.3, with a lower number indicating that fewer consumers expect unemployment to rise over the next twelve months. In saying this, job figures have come out positive, with unemployment expectations showing a positive improvement, as average index figures for 2015 and 2016 were both at 144 points.

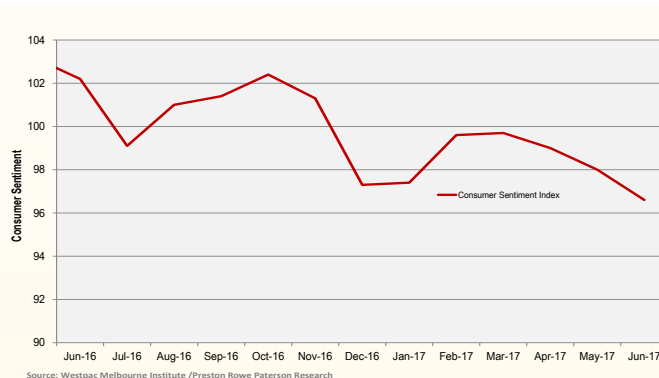


Chart 2—Consumer Sentiment Index, February 2016 to February 2017—Source—Westpac Melbourne Institute Survey

	June 2016	May 2017	June 2017
Consumer Sentiment Index	102.2	98	111.3
Family finance vs. a year ago	90.3	82.6	81.4
Economic conditions next 12 months	97.9	95.9	91.3
Time to buy a dwelling	103.7	90.0	90.9

Table 2—Consumer Sentiment— June 2017 — Source— National Australia Bank



Gross Domestic Product

Over the first quarter of 2017, Australia's gross domestic product (GDP) increased by a seasonally adjusted 0.3% - a relatively weak figure when compared to December 2016 quarterly increase of 1.1%. Over the twelve months to March 2017, Australia's economy grew by 1.7%, relatively weaker than the 2.4% yearly increase in the fourth quarter 2016. Many economists had anticipated weaker growth over March quarter, after current account figures had indicated a dramatic slowdown in exports over the three months. However, the quarter's growth now means that Australia has experienced 103 quarters without a technical recession (defined as two consecutive quarters of negative growths).

We note that export of goods and services declined by a seasonally adjusted 1.6% over the quarter. The main influence was a decline in the export of mineral ores and coal, which contributed to a 2.6% decline in the export of goods. The export of services partially offset this decline by increasing by 2.5% over the quarter, though was not enough to stimulate an overall positive growth after the previous six quarters of growth. Moreover, terms of trade increased by 6.6% over the quarter, a decline from the 9.6% increase from last quarter.

Dwelling investments declined by 4.4% over the March quarter, though over the twelve months, dwelling investment has declined by 2.5%. Victoria was the only state to experience an increase in dwelling investment over the quarter, though at a national level, dwelling investment remains high.

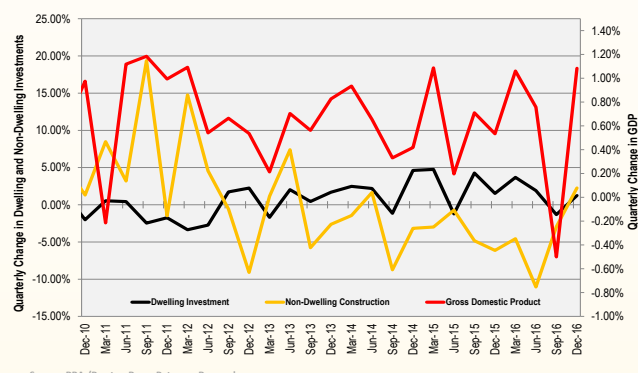


Chart 3— Percentage Change in Dwelling, Non-Dwelling Investments and GDP— Source: ABS

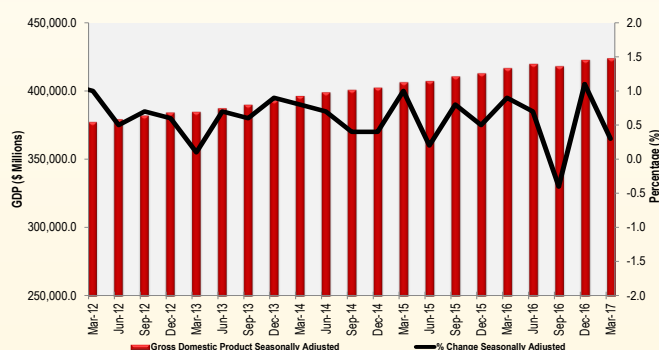
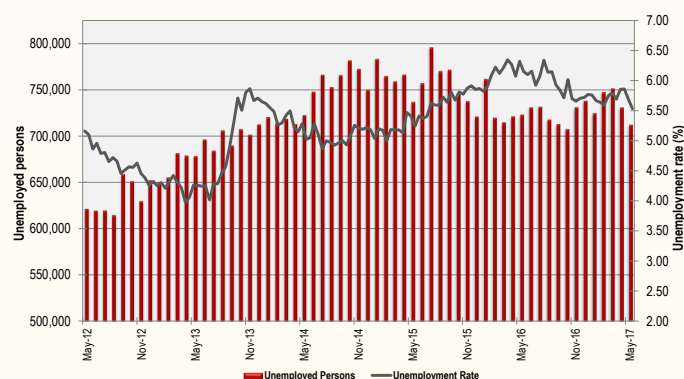


Chart 4— Seasonally Adjusted GDP and Seasonally Adjusted Change in GDP— Source: ABS

Unemployment

Over the month to May 2017, seasonally adjusted unemployment rate declined to 5.5%, the lowest level since February 2013. There were 52,100 new persons in full time employment, though the number of persons starting part-time roles declined by 10,100 - bringing the net total number of employed persons to 42,000 over the month. Over the same period, the participation rate declined to 64.9% (-0.1%), underemployment rate declined to 8.8% (-0.1%) and the underutilisation rate declined to 14.4% (-0.4%).

New South Wales experienced the largest month-on-month increase in employment with 32,600 persons. Victoria and Queensland experienced the next largest increases, with 6,900 persons and 5,500 persons respectively. When we look at the unemployment rate around the country, South Australia and Western Australia experienced the largest decline, both by -0.4%. Tasmania experienced an increase of 0.2%, whilst New South Wales increased by 0.1%. Tasmania experienced an increase of 0.8% in their participation rate, whilst Western Australia experienced a decline of 0.1% in theirs.



Source: ABS/Preston Rowe Paterson Research

Chart 5— Unemployment Persons and Unemployment Rate, March 2011 to March 2017 — Source: ABS

	Unemployment Rate (%)		Participation Rate (%)		
	April	May	April	May	
Australia	5.7	5.5	64.9	64.9	—
New South Wales	4.7	4.8	65.3	65.2	▼
Victoria	6.1	6.0	66.0	65.5	▼
Queensland	6.3	6.1	69.0	68.1	▼
South Australia	7.3	6.9	65.0	64.8	▼
Western Australia	5.9	5.5	68.8	67.5	▼
Tasmania	5.9	6.1	59.5	59.9	▲
Northern Territory*	3.3	3.2	74.3	65.6	▼
Australian Capital Territory*	3.6	3.5	67.8	66.1	▼

Table 3— Unemployment Rate and Participation Rate, February vs. March 2017 — Source: ABS
figures used for NT and ACT as seasonally adjusted data for both are not publicly available

* Trend



10 Year Bond & 90 Day Bill Rate

10-year government bond yield in Australia declined by 0.14% to 2.41% over the month to June 2017. Over three months, the 10-year bond yields declined by 0.40%, though when compared to June 2016, yields had increased by 0.29%. Australia's 90-day bill rate declined by 0.01% over the month, to 1.72%. This figure signifies a 0.07% decline over the quarter and a 0.27% decline over the year. Historically, Australian government yields are usually higher than that of the US government yields. However, the differential between Australian and US 10-year government bonds have narrowed to just 16 basis points at the end of June as global investors price in more monetary tightening by the Federal Reserve. We note that Australian 10-year bond yields, being influenced by the global increase in yields, had increased by 53 basis points since August last year, during which yields dropped to a historical low of 1.88%. Preston Rowe Paterson notes that long term bond yields have been declining gradually since the 1980's, and we consider the sharp increase in late December 2016 and the current elevated bond yields a normalisation of 10-year government bonds after it dropped to a record low in August 2016.

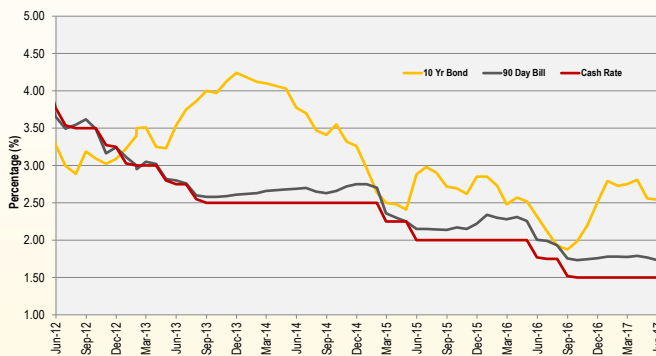
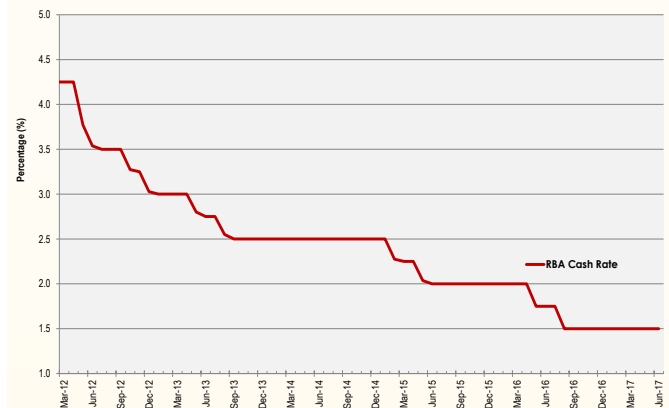


Chart 6— Monthly Movement of 90-day Bill, 10-year bond yields and Cash rate—Source: RBA

Interest Rates

The Board of the Reserve Bank left rates unchanged at 1.5% for the tenth consecutive month at their June meeting. The main concerns brought up at the board meeting included concerns surrounding Australia's low wage growth and the imbalance between the housing markets around various parts of Australia. Ultimately, the Reserve Bank strives to achieve financial stability by pursuing an inflation target of two to three percent over the medium term. As the nation transitions through the mining boom investment phase, interest rates were cut to its lowest historical levels in order to support economic growth within the country. Reserve Bank board members noted the importance of a prudent regulatory body in promoting financial stability, and noted the need for a strong relationship built between the Bank and banking regulators, especially Australia Prudential Regulatory Authority (APRA).

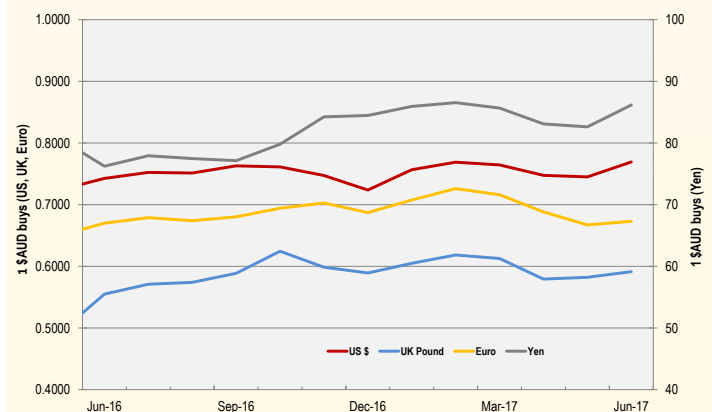
The Board's decision to keep interest rates unchanged stemmed from upbeat messages from world economic growth, in conjunction with the prospect of world-wide increase of wages and prices as the labour markets in many countries begin to improve. It was also noted that headline inflation in many countries have increased over the past twelve months, though core inflation remain relatively low. In the domestic economy, improvements in business conditions and business investments, in the parts of the economy that was not directly affected by the slowdown in mining investments contributed to the Board's interest rate decisions. Slow wage growth continue to highlighted, with members pointing out the low increase in income and high levels of household debts as being the main inhibitors to household consumption.



Source: RBA /Preston Rowe Paterson Research

Chart 7— Reserve Bank of Australia Overnight Cash rate—Source: RBA

Exchange Rate



Source: RBA /Preston Rowe Paterson Research

Chart 8— Movement in Exchange Rate over the year to March 2016— Source: RBA



Our Research

At Preston Rowe Paterson, we pride ourselves on the research which we prepare in the market sectors within which we operate. These include Commercial, Retail, Industrial, Hotel & Leisure and Residential property markets as well as infrastructure, capital and plant and machinery markets

We have *property* covered

- . Investment
- . Development
- . Asset
- . Corporate Real Estate
- . Mortgage
- . Government
- . Insurance
- . Occupancy
- . Sustainability
- . Research
- . Real Estate Investment Valuation
- . Real Estate Development Valuation
- . Property Consultancy and Advisory
- . Transaction Advisory
- . Property and Asset Management
- . Listed Fund, Property Trust, Super Fund and Syndicate Advisors
- . Plant & Machinery Valuation
- . General and Insurance Valuation
- . Economic and Property Market Research

We have all *real estate* types covered

We regularly provide valuation, property and asset management, consultancy and leasing services for all types of Real Estate including:

- . CBD and Metropolitan commercial office buildings
- . Retail shopping centres and shops
- . Industrial, office/warehouses and factories
- . Business parks
- . Hotels (accommodation) and resorts
- . Hotels (pubs), motels and caravan parks
- . Residential development projects
- . Residential dwellings (individual houses and apartments/units)
- . Rural properties
- . Special purpose properties such as: nursing homes; private hospitals, service stations, oil terminals and refineries, theatre complexes; etc.
- . Infrastructure

We have all types of *plant & machinery* covered

We regularly undertake valuations of all forms of plant, machinery, furniture, fittings and equipment including:

- . Mining & earth moving equipment/road plant
- . Office fit outs, equipment & furniture
- . Agricultural machinery & equipment
- . Heavy, light commercial & passenger vehicles
- . Industrial manufacturing equipment
- . Wineries and processing plants
- . Special purpose plant, machinery & equipment
- . Extractive industries, land fills and resource based enterprises
- . Hotel furniture, fittings & equipment

We have all *client* profiles covered

Preston Rowe Paterson acts for an array of clients with all types of real estate, plant, machinery and equipment interests such as:

- . Accountants
- . Banks, finance companies and lending institutions
- . Commercial and Residential non bank lenders
- . Co-operatives
- . Developers
- . Finance and mortgage brokers
- . Hotel owners and operators
- . Institutional investors
- . Insurance brokers and companies
- . Investment advisors
- . Lessors and lessees
- . Listed and private companies corporations
- . Listed Property Trusts
- . Local, State and Federal Government Departments and Agencies
- . Mining companies
- . Mortgage trusts
- . Overseas clients
- . Private investors
- . Property Syndication Managers
- . Rural landholders
- . Self managed super funds
- . Solicitors and barristers
- . Sovereign wealth funds
- . Stock brokers
- . Trustee and Custodial companies



We have all *locations* covered

From our capital city and regional office locations we serve our client's needs throughout Australia. Globally, we operate directly or via our relationship offices for special purpose real estate asset classes, infrastructure and plant & machinery.

We have *your needs* covered

Our clients seek our property (real estate, infrastructure, plant and machinery) services for a multitude of reasons including:

- . Acquisitions & Disposals
- . Alternative use & highest and best use analysis
- . Asset Management
- . Asset Valuations for financial reporting to meet ASIC, AASB, IFRS & IVSC guidelines
- . Compulsory acquisition and resumption
- . Corporate merger & acquisition real estate due diligence
- . Due Diligence management for acquisitions and sales
- . Facilities management
- . Feasibility studies
- . Funds management advice & portfolio analysis
- . Income and outgoings projections and analysis
- . Insurance valuations (replacement & reinstatement costs)
- . Leasing vacant space within managed properties
- . Listed property trust & investment fund valuations & revaluations
- . Litigation support
- . Marketing & development strategies
- . Mortgage valuations
- . Property Management
- . Property syndicate valuations and re-valuations
- . Rating and taxing objections
- . Receivership, Insolvency and liquidation valuations and support/advice
- . Relocation advice, strategies and consultancy
- . Rental assessments and determinations
- . Sensitivity analysis
- . Strategic property planning

About This Report

Preston Rowe Paterson prepare standard research reports covering the main markets within which we operate in each of our capital cities and major regional locations. This Residential Development Market research report provides analysis and detail of economic factors which impact the Residential Development Market within the Sydney region.

Within this report we have analysed the three geographical regions of residential properties in the Sydney metropolitan areas; Inner Sydney, Middle Sydney and Outer Sydney. We have also compiled a few major reported developments and development site sales, along with economic statistics and commentary on the residential development sector.

To compile the research report we have considered the most recently available statistics from known sources. Given the manner in which statistics are compiled and published they are usually 3-6 months out of date at the time we analyse them. Where possible we consider short term movement in the statistics by looking at daily published data in the financial press. Where this shows notable fluctuation, when compared to the formal published numbers we have commented accordingly.



Head Office (Sydney)

Level 14, 347 Kent Street
Sydney NSW 2000
PO BOX 4120, Sydney NSW 2001
P: 02 9292 7400
F: 02 9292 7404
E: research@prpsydne y.com.au

National Directors

Gregory Preston
M: 0408 622 400
E: greg.preston@prpsydne y.com.au

Gregory Rowe
M: 0411 191 179
E: greg.rowe@prpsydne y.com.au

Neal Ellis
M: 0417 053 116
E: neal.ellis@prp.com.au

Damian Kininmonth
M: 0417 059 836
E: damian.kininmonth@prp.com.au

Greg Sugars
M: 0435 911 465
E: greg.sugars@prp.com.au

www.prp.com.au



Capital City Offices

Adelaide
Rob Simmons
M: 0418 857 555
E: adelaide@prp.com.au

Brisbane
Troy Chaplin
M: 0419 029 045
E: troy.chaplin@prpqueensland.com.au

Hobart
Damien Taplin
M: 0418 513 003
E: damien.taplin@prp.com.au
Shelley Taplin
M: 0413 309 895
E: shelley.taplin@prp.com.au

Melbourne
Neal Ellis
M: 0417 053 116
E: neal.ellis@prp.com.au
Damian Kininmonth
M: 0417 059 836
E: damian.kininmonth@prp.com.au

Perth
Cameron Sharp
M: 0438 069 103
E: cameron.sharp@prp.com.au

Sydney
Gregory Preston
M: 0408 622 400
E: greg.preston@prpsydne y.com.au
Gregory Rowe
M: 0411 191 179
E: greg.rowe@prpsydne y.com.au

Affiliate offices in Canberra, Darwin and other regional areas.

Regional Offices

Albury Wodonga
Michael Redfern
M: 0428 235 588
E: michael.redfern@prp.com.au

Ballarat
Darren Evans
M: 0417 380 324
E: darren.evans@prp.com.au
Peter Murphy
M: 0402 058 775
E: peter.murphy@prp.com.au

Bendigo
Damien Jerinic
M: 0409 820 623
E: damien.jerinic@prp.com.au

Central Coast/Gosford
Colin Pugsley
M: 0435 376 630
E: colin.pugsley@prp.com.au

Dubbo
James Skuthorp
M: 0409 466 779
E: james.skuthorp@prp.com.au
Tom Needham
M: 0412 740 093
E: tom.needham@prpsydne y.com.au

Geelong
Gareth Kent
M: 0413 407 820
E: gareth.kent@prp.com.au
Stuart McDonald
M: 0405 266 783
E: stuart.mcdonald@prp.com.au

Gippsland
Tim Barlow
M: 0400 724 444
E: tim.barlow@prp.com.au
Alexandra Ellis
M: 0407 724 444
E: alex.ellis@prp.com.au

Griffith
Dan Hogg
M: 0408 585 119
E: daniel.hogg@prp.com.au

Horsham
Ben Sawyer
M: 0429 826 541
E: ben.sawyer@prp.com.au

Launceston
Damien Taplin
M: 0418 513 003
E: damien.taplin@prp.com.au

Mornington
Neal Ellis
M: 0417 053 116
E: neal.ellis@prp.com.au
Damian Kininmonth
M: 0417 059 836
E: damian.kininmonth@prp.com.au

Mount Gambier
Stuart McDonald
M: 0405 266 783
E: stuart.mcdonald@prp.com.au

Newcastle
Robert Dupont
M: 0418 681 874
E: bob.dupont@prp.com.au
David Rich
M: 0413 052 166
E: david.rich@prpncle.com.au

Southport
Ian Hawley
M: 0458 700 272
E: ian.hawley@prpqueensland.com.au
Troy Chaplin
M: 0419 029 045
E: troy.chaplin@prpqueensland.com.au

Swan hill
Ian Boyd-Law
M: 0418 598 232
E: ian.boyd-law@prp.com.au

Tamworth
Bruce Sharrock
M: 0429 465 012
E: bruce.sharrock@prp.com.au
Matt Spencer
M: 0447 227 002
E: matt.spencer@prp.com.au

Wagga Wagga
Dan Hogg
M: 0408 585 119
E: daniel.hogg@prp.com.au

Warrnambool
Stuart McDonald
M: 0405 266 783
E: stuart.mcdonald@prp.com.au

New Zealand Offices

Head Office (Auckland)
Greg Sugars
M: +64 (0)27 777 9010
E: greg.sugars@prpnz.nz
Mitchell Stubbs
M: +64 (0)27 774 34100
E: mitchell.stubbs@prpnz.nz

Dunedin
James Stowell
M: +64 (0)17 807 3866
E: james.stowell@prpnz.nz

Greymouth
Mark Bollard
M: +64 (0)27 694 7041
E: mark.bollard@prpnz.nz

Tauranga
Alex Haden
M: +64 (0)21 833 118
E: alex.haden@prpnz.nz

www.prpnz.nz

Asian Offices

Associated office networks throughout:

- ◆ China
- ◆ Hong Kong
- ◆ Japan
- ◆ Philippines
- ◆ Thailand

Preston Rowe Paterson Australasia Pty Ltd
ACN: 060 005 807

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